

RECORD OF INTERVIEW

CRIME & MISCONDUCT COMMISSION
No. 2005-5 Date 19 Oct 05
IN THE MATTER OF:

OP GRAND

EXHIBIT No. 1241
AMS CLERK

TAPE NO: 1 (of 1)

DATE: 19-09-2005

PLACE: SORRENTO

TIME COMMENCED: 16:00

TIME CONCLUDED:

INTERVIEWEE: JAMES RICHARD KELLY

INTERVIEWER/S: DETECTIVE INSPECTOR KEN W BEMI

LEGAL OFFICER: THERESA HAMILTON

RE: OPERATION GRAND

FILE NUMBER:

Complainant:	Operation Grand
Subject(s):	Operation Grand
Investigator:	Det Inspector K Bemi
Statement Of:	James Richard Kelly
Legal Officer:	Theresa Hamilton
File Number:	MI-05-2482
Directory :	

COPY TAPE 1 OF 1 - RECORD OF INTERVIEW BETWEEN JAMES RICHARD KELLY AND DETECTIVE INSPECTOR KEN BEMI FROM THE CRIME AND MISCONDUCT COMMISSION

LEGAL OFFICER:

RE: OPERATION GRAND

JK = JAMES RICHARD KELLY

KB = DETECTIVE INSPECTOR KENNETH WILLIAM BEMI

UI = UNINTELLIGIBLE

- 1 KB Time now is 3:58 pm on the afternoon of Thursday 15th day of September 2005 I'm
2 present at a residence in Sorrento and I'm about to conduct an interview with a Richard
3 James, sorry James Richard KELLY in relation to a present investigation that the Crime
4 and Misconduct Commission is currently undertaking pertaining to the Gold Coast City
5 Council and election of candidates during March 2004. For the purposes of voice
6 identification I'll ask every person present here starting with myself to state their full and
7 correct name. My full name is Kenneth William BEMI, I am a Detective Inspector of
8 Police currently performing duties at the Crime and Misconduct Commission in Brisbane.
9 Your full name thanks
10
11 JK Ah, my name is James, James Richard KELLY, I'm employed as a communications
12 strategist or media officer at ah Gold Coast City Council
13
14 KB James what I intend to do today is ask you some questions in relation to this matter in the
15 form of a tape recorded interview and by that I mean that whatever you or I say will be
16 recorded as we speak, do you understand that
17
18 JK Yes
19
20 KB Are you agreeable to that procedure
21
22 JK Yes
23
24 KB Do you require any other person to be present here
25
26 JK No
27
28 KB Can you please state your date of birth
29
30 JK 12/7/1968
31

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32 KB And your current address
33
34 JK Unit 1/5 Tweed Street, Coolangatta Queensland 4225
35
36 KB And I've outlined that you're a, a strategist in the field of media communications with the
37 Gold Coast City Council
38
39 JK Yes
40
41 KB How long have you held that position
42
43 JK Since August 2004
44
45 KB And what does that position entail
46
47 JK Basically um putting out media releases and media ah media releases along the lines of
48 you know this is what the council's doing and ah um taking um calls from the media any,
49 any calls that they have you know, setting up interviews with the Mayor, with\ the
50 councillors um, basically just general media duties
51
52 KB Were you employed by the Gold Coast City Council prior to taking up that position
53
54 JK No
55
56 KB As I said earlier the Crime and Misconduct Commission is currently investigating matters
57 relating to council elections held on the Gold Coast here in March 2004 and in relation to
58 other matters as outlined in the terms of reference, which I believe you have had the
59 opportunity to read. I believe that you may have some information that could be of
60 assistance to this investigation concerning when you yourself stood as a candidate ah for
61 a by election in the Gold Coast City Council and that was held in January
62
63 JK January
64
65 KB January 2005, this year
66
67 JK 2005, uhmm
68
69 KB Can you outline your information that you can provide
70
71 JK Basically with the death of Councillor Sue ROBBINS late last year I decided to run as a
72 candidate in the division 14 by election which was held in January 2005. My intending
73 candidature was revealed in the Sun Newspaper prior to Christmas about mid December
74 early December something like that and I have a copy of that article several days later I
75 was telephoned by a Mr Ray STEVENS who works at Gold Coast City Council and ah

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76 was asked to see him in his office in the council headquarters. Ray STEVENS works as
77 the ah right hand man I guess to Mayor Ron CLARKE
78
79 KB \When did you receive the phone call to see Mr STEVENS
80
81 JK Um, three or four days after I announced in the paper (ui) announced in the paper which
82 would be
83
84 KB (ui)
85
86 JK Early December I'd imagine
87
88 KB Early December 2004, so, Ray STEVENS he phoned you
89
90 JK Yes
91
92 KB And he asked you
93
94 JK Internally
95
96 KB Internally, and he asked you to come and see him in his office
97
98 JK Yes. Um, at that stage I was located in the Western offices or the western side of the
99 council headquarters which is about 20 metres away from where Mr STEVENS works. I
100 met with Mr STEVENS and his and basically he sounded me out about being a candidate
101 asked me questions about you know why I decided to run etc during the conversation he
102 said it would be the candidate basically with the most money who would win the election.
103 He said there was money available anything up to \$40,000 to me, if I was interested to
104 help my campaign I assumed the money was available from something like the Lionel
105 BARDON trust fund because that'd be already been in the news and I expected that there
106 well suspected that there was some links to, to the council and ah maybe to Mr
107 STEVENS through that. Then it was suggested to me that if you know, if I was interested
108 in taking up that offer of the \$40,000 that I should have a chat to Councillor David
109 POWER, I told Mr SEVENS I would seriously think about the proposal although in my
110 heart I knew I would never take any money from anyone for the campaign because
111 basically I didn't want to owe anyone anything. On leaving his office I was told James
112 this meeting never happened I replied, OK, and left his office, I mean what else were you
113 supposed to say aah keep going
114
115 KB Yeah, thanks STEVENS
116
117 JK On that same day I discuss the issue and the extraordinary offer with a colleague of min
118 Colin PEARCE who ah has the or had at that stage the same position as me a media
119 officer he also recommended ah as to my intuition that I steer clear of Mr STEVENS and

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120 the money. Later that night I spoke to my wife and told her about it and basically that was
121 the same idea in that we don't need to have money for our election campaign we'd do it
122 ourselves just a lot easier um several days later I was again contacted by Mr Ray
123 STEVENS who wanted to see me again in his office. I took up the opportunity and ah
124 met him in the office, he ran through the deal again and I told him I would decline the
125 offer and thanked him for his offer again he said the candidate with the most money will
126 win and unfortunately it'll be difficult if not impossible for you to win you're really not
127 well known down there. So that was the end of the issue until early in January before the
128 election continue...

129
130 KB Yes, thanks

131
132 JK Um, during the election campaign I was getting lots of criticisms from other candidates
133 that claimed I was being backed by developers. They claimed basically that everyone bar
134 themselves were backed by developers it's quite a crazy situation so um I got together
135 and ah asked um Colin PEARCE, again ah you know what I should do about this and
136 basically ah we decided that you know to help my campaign I should inform the Gold
137 Coast Bulletin journalist Fiona HAMILTON if I was talking to her next um that ah you
138 know I wasn't backed by developers and had in fact been approached but said to, to the
139 offer of course she wanted to know who approached me but I said I wouldn't tell her
140 other than it was someone at council. She put two and two together and asked if it was
141 Mr Ray STEVENS. I said I wouldn't comment further in her report in the paper the next
142 day she said it was up to me to put up or shut up basically so if I couldn't name the
143 candidate ah sorry if I couldn't name who offered me the money, forget about it, it's not
144 part of your campaign basically. So well, I guess I shut up um I believe another candidate
145 Kelly TRIGGER was offered or was also she claimed she was also approached by whom
146 I do not know she claimed that she was approached for money as well a, a, of an offer for
147 money as well, anyway Fiona HAMILTON subsequently rang Mr STEVENS presumably
148 to ask questions about you know whether it could be him that was behind the \$40,000
149 offer soon after Mr STEVENS rang me and said what's Fiona HAMILTON from the
150 Bulletin ringing me for

151
152 KB This is STEVENS

153
154 JK This is Mr Ray STEVENS, yes um, Mr STEVENS said she was trying to pin it on me
155 that I offered you some sort of money for the election. I told her I did no such thing and
156 know nothing about it. Mr STEVENS then said I will sue anyone that tries to pin that on
157 me I told him I get the message loud and clear and basically that was the end of the
158 matter. Um, let me stay at no, let me say at no stage did Mr STEVENS to heavy hand me
159 to take the money he did however threaten to take anyone and I guess that includes me as
160 well to court that tried to smear his name or infer he was behind the money. I now work
161 four metres away from Mr STEVENS in the office in the council headquarters our
162 relationship is fine and cordial. I'm worried about what will happen to this relationship
163 and my position in council if this information is presented at the CMC but at the end of

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164 the day the truth must come out. Um, what's a little bit interesting don't know whether
165 it's related on returning to work after the election which I subsequently lost um, I was
166 dumped as the media officer for the city cleaning committee which is chaired by
167 Councillor Ted SHEPHERD. I asked him at the time why and he said basically because
168 there's someone prettier came along referring to Anna HANSEN who's one of the um
169 media officers who was just coming on board. So I don't know whether that's related or
170 not it could be that um it has a bit to do with the election and Peter YOUNG and Suzy
171 DOUGLAS and, and Eddie SARROFF and Dawn CRICHLOW coming out the day
172 before the election and saying that they support me and that I'd be a good candidate so
173 basically that, that's what happened

174
175 KB Did you ever receive any funds at all from Mr STEVENS

176
177 JK Not a cent

178
179 KB Did you receive funding from any other person

180
181 JK Not a cent

182
183 KB You funded your own election campaign yourself

184
185 JK Yes, totally self funded

186
187 KB How much did that amount to

188
189 JK Ah, \$3800, \$400, \$4000 something like that

190
191 KB If, I can just take you back what division did you run in

192
193 JK Division 14,

194
195 KB How many other candidates contested that division

196
197 JK 13

198
199 KB 13, all up

200
201 JK So there's 14

202
203 KB Including yourself

204
205 JK You asked me, yeah, you asked me how many others ha, ha, so that's yeah 13 plus 1
206 fourteen

207

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208 KB You said that you received originally you received a phone call an internal phone call
209 from Ray STEVENS to meet him in his office you can't provide me with ah time or, or a
210 date for that
211
212 JK I could but just not at the moment
213
214 KB Roughly
215
216 JK Umm, yeah, early December I believe and three o'clock in the afternoon, two, two or
217 three o'clock in the afternoon, I think, I'd have to get back to you with I could work it out
218 better than that but yeah
219
220 KB That's alright, and you ran as a candidate in the (overtalking) that um the late councillor
221 Sue ROBBINS left
222
223 JK Division, yes
224
225 KB And the that by election was in January 2005.
226
227 JK Yes about the 21st
228
229 KB After you received that phone call from Mr STEVENS you went into his office virtually
230 straight away
231
232 JK Umm, yeah, probably an hour later oh no well half an hour later probably yep
233
234 KB (ui)
235
236 JK I didn't have any idea what it was about so I just thought I'll get there when I get there
237
238 KB Yeah, (ui) what he said to you about money available up to \$40,000 to help your
239 campaign and you need the candidate with the most money will win, words to that effect
240
241 JK Yes, basic, yes
242
243 KB Did he make any mention of the Lionel BARDON Trust Fund or any other fund
244
245 JK Not at all
246
247 KB Did he mention where this funding may come from
248
249 JK No
250
251 KB Did he provide you with any other details about the funding

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252 JK No. Oh, just sorry, um, just the you know it would be a group of like minded people in
253 the community who'd sort of um you know um would, would back ah, ah person who
254 would ah um you know see things the way that the majority in council see things
255
256 KB Meaning that's where the funding may come from, from these ah people in the
257 community with similar
258
259 JK I guess so, yes, I guess so, yes
260
261 KB Ideals that was your interpretation of it was it
262
263 JK Yes, yes, that, that it would, would it would be coming from developers orah certainly
264 a fund of money that was available for someone who um could represent the, the views of
265 the majority in council that would sort of go along with what they said
266
267 KB Did you record that conversation in any form
268
269 JK Not at all, not at all
270
271 KB Did you make any diary notes or entries
272
273 JK No
274
275 KB When you replied to him that um
276
277 JK Other than what I just wrote two days ago
278
279 KB Sure and that's what you've referred to during this interview
280
281 JK Yes, yes
282
283 KB So, you said you'd think about it basically to STEVENS that, that day
284
285 JK Yes, yes
286
287 KB And you'd get back to him, is that what you said or ...
288
289 JK And I'd get back to him yeah, yeah, and, and the days dragged on a there's about you
290 know four or five days and I hadn't sort of said anything and he's, and he rang me again
291 to get me to go in ...
292
293 KB Alright
294
295 JK And just have a bit of a chat to see if I'd decided on anything

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296 KB That's when you told him you weren't interested thanks for the offer
297
298 JK Yeah, yes
299
300 KB But in between ah, the first meeting and the second meeting I guess it was harder the first
301 meeting he said if you're interested in taking up the offer have a chat with ah David
302 POWER
303
304 JK Yes
305
306 KB That was during that first meeting
307
308 JK Yes, I believe so
309
310 KB And did that strike you as strange
311
312 JK Yes, it, it struck me as strange because, because I didn't really know that um that David
313 POWER was head of, head of anything at that stage or.. head of well I had ideas but it, it
314 struck me more so that you know someone in council who's not a, not a politician
315 basically was talking to me in council and, and was offering me money you know, very
316 strange
317
318 KB Did he make any other reference to Councillor David POWER at all
319
320 JK No
321
322 KB So when you received the phone call from him from the second occasion to come into his
323 office when was that
324
325 JK Ah, about five, six days later
326
327 KB So still in December 2004
328
329 JK Hmm, before Christmas, yes
330
331 KB And you've already outlined that time you weren't interested thanks a lot and that's when
332 he told you that the meeting never happened
333
334 JK Hmm, no, the first time he said that the meeting never happened
335
336 KB Sorry, the first time
337
338 JK Yep
339

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340 KB What did he say after the second meeting with him after you rejected his offer
341
342 JK Um, well basically that you know, the one, you, you're doing yourself a, a disservice I
343 guess, and that um, the, the person with the most, most money will, will win the election
344 campaign and, and you know that, that certainly won't be you
345
346 KB And you made reference to another candidate by the name of Kelly TRIGGER
347
348 JK Yes
349
350 KB You believe she was also approached, what do you base that on
351
352 JK Ah, just that her um in the Gold Coast Bulletin when, when it quoted me as saying that I
353 was approached um, the same article also said that Kelly, Kelly TRIGGER was
354 approached by somebody ah for money or to give money to and that um and she said no
355 basically oh no she well she said no, and um, and she wouldn't reveal the source either so
356 that, that's all I know I haven't spoken to Kelly about that at all
357
358 KB What's Ray STEVENS's role in council
359
360 JK Um, he is the, the adviser to the Mayor so Mayor Ray, ah Mayor um, Mayor CLARKE's
361 adviser basically
362
363 KB Do you normally have dealings with him in day to day operations
364
365 JK Not really
366
367 KB So you would have found this quite surprising he summons you into his office
368
369 JK Absolutely, but the most I'd see him would be when he walked past my office to or our
370 office to the toilet so when he called me in it was most unusual
371
372 KB Has he had any other conversation with you after that or since that second meeting you
373 had with him declining the offer (ui)
374
375 JK Umm, not about, not about this just that um you know that ah basically that I'd lost the
376 election and that and um yeah you know that, that that you were never going basically
377 you were never going to win because Sue ROBBIN's sister stood as a candidate. And by
378 ah at least it made, made it much harder for any other candidate to win ...yeah
379
380 KB And... during the second meeting you had with him declining the offer once again did
381 you make any written records or audio record of that meeting with him
382
383 JK No

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384 KB You didn't make any reference in your in the diary written material
385
386 JK No, no,
387
388 KB That you've already outlined the only written material you had prepared is approximately
389 two couple of days ago for this interview here today
390
391 JK Yes, correct
392
393 KB Did Councillor POWER ever contact you (ui) this election
394
395 JK Never, never
396
397 KB Did any other councillor or ah any other member of council contact you in relation to that
398 election
399
400 JK Ah..
401
402 KB To, to assist you with your campaign
403
404 JK Um, yes, or yes you mean related to the money or not
405
406 KB Just general campaign ah assistance
407
408 JK Ah, yes, um, um, Councillor DOUGLAS did um Councillor um he's the guy in
409 Broadbeach um Betty SARROFF did, Peter YOUNG did, most, some of the other
410 candidates but the but no one from no one who I would associate or say that's with the
411 with the main section of the block or the larger group
412
413 KB No offer was made ...
414
415 JK From anyone else, no
416
417 KB For any funding from any other person
418
419 JK Not at all
420
421 KB Whereabouts is Mr STEVENS office located
422
423 JK In the, the centre of the headquarters
424
425 KB That's the Gold Coast City council building at Bundall
426
427 JK Yes, the new seven million dollar job

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428 KB Was there any other person present when you had those conversations with you in his
429 office
430
431 JK No
432
433 KB So, you never received any, any funding from ah Ray STEVENS or anyone else
434 associated with the council or any other person you're entirely funded your own
435
436 JK Yes
437
438 KB Election campaign, did Ray STEVENS indicate to you how he wanted you to run your
439 campaign at all
440
441 JK No, no
442
443 KB Did he discuss any ideas with you at all
444
445 JK Umm, only, only that you know that, that ah basically if you ever get the money that you
446 know you'd be a like minded candidate and, and, and, and we like, we like what you
447 stand for and, and you know we, we, think you'd be a good candidate and um
448
449 KB Did he explain what a likeminded candidate was
450
451 JK No, oh well you'd see things our way, basically
452
453 KB What ... in our way referring to ...
454
455 JK Well, I guess um the majority rule in council that's all I took it to be,
456
457 KB Are you aware of his association with any majority rule in council and councillors
458
459 JK Only anecdotally
460
461 KB And that's just...
462
463 JK Yeah, just ...
464
465 KB Through what other people have said or ...
466
467 JK Yes, basically other people have you know said that he's the powerhouse behind the
468 council and that's it
469
470 KB Did he mention to you anything about developers or development applications
471

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472 JK No
473
474 KB So apart from what you've outlined he didn't have any other conversation with you
475 concerning the funding
476
477 JK No, no the funding was never talked about except other than those two meetings
478
479 KB Is there anything else that you'd like to add at the moment
480
481 JK No, I don't think so
482
483 KB And why did you decline that offer can I ask that of the \$40,000
484
485 JK Oh basically because I didn't want to be tied to anyone to say you know once you got in
486 council, mate you know I want to um I, I, want you to vote my way or...
487
488 KB You didn't feel like you didn't want to owe a debt, so to speak
489
490 JK I didn't want to owe anyone anything no I just think that perhaps that's the way pol... I
491 think I learnt that through the campaign that's definitely what how politics sort of seems
492 to work and, and that's not for me
493
494 KB I guess the hub of this matter is that the offer of the money was made to you by Ray
495 STEVENS you don't know the source of that funding where it was going to come from
496 he never elaborated
497
498 JK Not exactly, no
499
500 KB There was no money ever given to you from ah any person in relation to your campaign
501
502 JK No
503
504 KB And you haven't got any other information that you think may be of relevance
505
506 JK No
507
508 KB Well thank you for your time here today
509
510 JK Alright
511
512 KB Do you agree that what you've told me during this interview is true and correct to the best
513 of your knowledge and belief
514
515 JK Yes

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516
517 KB That being the case the time now is 4:20 pm on the afternoon of Thursday the 15th day of
518 September 2005, this interview is now completed.
519
520 TAPE ENDS
521
522
523
524
525
526

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