

QUEENSLAND
CRIME AND MISCONDUCT COMM

OP GRAND

EXHIBIT No. 258
CLERK

Gold Coast City Council Inquiry

Statement of Anthony David Scott

I, Anthony David Scott, of 9 Tanjenong Place, Burleigh Heads in the State of Queensland, make oath and say as follows:

Personal details

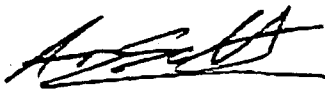
1. I am the majority shareholder of Mandra Pty Ltd, trading as Fifth Quadrant Advertising ("Quadrant"), of East Quay Corporate Park, 34 Glenferrie Drive, Robina in the State of Queensland. I am the CEO of Quadrant.

Provision of information to the Crime and Misconduct Commission

2. On about April 18, 2005 it was drawn to my attention that a notice was served by the Crime and Misconduct Commission ("CMC" or "the commission") on a fellow director of Quadrant, Chris Morgan. At the time Mr Morgan was overseas. At his request I caused for all documentation covered by the notice to be sent to the commission. I produced that documentation to the CMC on 19 April 2005 under cover of a letter of that date.
3. On 27 October 2005 I received an attendance notice from the CMC requiring me to attend as a witness and give evidence at the commission's inquiry into the Gold Coast City Council. I have only a limited knowledge of the work performed by Quadrant in relation to this election campaign as it was in the main attended to by Chris Morgan.

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Signed:



Before:



Statutory Declaration of Tony Scott

BOE LAWYERS
8 Petric Terrace, Brisbane Q 4000
P [07] 3511 7575 | F [07] 3511 7979
aboel@boelawyers.com.au

The referral of work by Brian Ray

4. As at late 2003, I had an association and friendship with the late Brian Ray going back some 25 years. During that time I have been associated with the provision of advertising and marketing services to his group of companies ("the Ray Group"). The business of the Ray Group has been substantial and I regarded them as a valued client.
5. As a result of these projects I was often in regular contact with Mr Ray. At the conclusion of one unrelated meeting in early November 2003, Brian approached me about the potential involvement of Quadrant in a new project. I recall that he said that he was putting together an advertising budget to assist candidates to run in the then upcoming March 2004 Gold Coast City Council elections. The discussion did not descend into any great detail. I indicated that Quadrant would be interested in being involved but that I would not work on such an account (as I have no knowledge base in that area) but that another of our directors, Chris Morgan, had a keen interest in local politics and would be able to assist.
6. Following that meeting, I discussed this new business opportunity briefly with Chris Morgan. Chris expressed interest and a capacity to pursue this opportunity and undertook to make a follow up call to Brian directly.
7. I am aware that Chris Morgan has produced a diary entry for 3 December 2003 indicating that I attended a meeting with him and Brian Ray, Councillors Robbins and Power. From my own recollection I do not believe that I actually attended any such meeting. I recall that Chris asked me if I would attend such a meeting however as it was a busy time and because I did not think I could add any value by attending the meeting I told Chris that I would not attend the meeting and that he could run it himself.

Setting of the fee structure for the candidates account

8. I expected that Chris would run this account himself.
9. Chris and I essentially run discrete practices within the Quadrant structure. Each of us is responsible for delivering services to individual accounts. We do not usually collaborate on accounts. However, as CEO, I have an involvement with setting fees on some accounts that Chris and other directors are responsible for and maintain a watching brief over the financial aspects of all accounts in my review of the monthly billings and income reports.

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Signed:

Before:

10. In this context I suggested to Chris in or about December 2003 that, an "open billing" arrangement, whereby we charge a monthly retainer and provide outside services at cost, would be most suitable. Quadrant has entered into this type of arrangement with many other clients.
11. Open billing involves Quadrant charging a flat fee in addition to the cost of services provided externally or internally. Under this arrangement, the flat fee was to cover:
- Chris's time and services;
 - A charge in lieu of a service fee (traditionally 10% added to the total amount billed by Quadrant); and
 - A charge in lieu of Quadrant being paid commissions from external suppliers (for services like printing and sign writing). Quadrant does retain any media commissions less broker fee.
- Services from external suppliers were to be provided at cost and Quadrant's internal hourly rates (for work done by people other than Chris, for example by artists and copywriters) would be recouped at our normal charge out rates like any other service provider.
12. I suggested that a monthly flat fee or retainer of \$10,000 per month for three months would be appropriate.
13. After Chris and I had agreed on the fee structure, I did not have any further involvement with the day to day management and direction of this account. By the end of January 2004 I became aware, through our monthly billings reports, that the billing entity for this account, which was styled "Robbins Powers Trust Account", was care of Hickey Lawyers. However, I was not aware of any of the arrangements associated with this invoicing or accounting process.
14. I had no discussions with Brian Ray, Tony Hickey or even Chris about the establishment of any trust account or other billing arrangements in respect of this account.

Follow up of unpaid invoices for the candidates account

15. At about the end of June 2004, after I had noted in our monthly debtors reports over consecutive months that we still had an outstanding debt of approximately \$22,000 for this account, I ascertained from Chris that he had been unable to get a straight answer

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Before: 

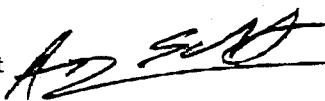
from Brian Ray about payment of the account. Finally, at about the end of June 2004 I told Chris that I would take over the debt collection process on this account, given my long standing relationship with Brian Ray.

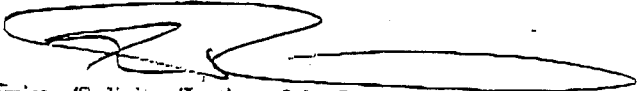
- 16. As far as I was concerned, Quadrant had provided professional services to the candidates pursuant to an agreement that the services would be paid for out of a fund that would be administered by Hickey Lawyers.
- 17. From early July 2004 my priority in respect of this matter was to recover all the funds outstanding on this account. We had paid all suppliers and our staff in good faith on the assumption that the funds would be paid as identified. I pursued Brian Ray on a regular basis for the payment of these funds usually through Brian's secretary Sue Davies.
- 18. In or about October 2004 I was informed that in order for Quadrant to be paid it would be necessary to restyle past invoices in the name of third parties who I had been told were willing to contribute to the fund previously set up by Mr Ray and Hickey Lawyers. I caused for our accounts section to issue replacement invoices (manually) pursuant to the instructions received from Mr Hickey's office. The replacement invoice drawn up for Framelgate was sent to Hickey Lawyers, however, on instructions the replacement invoice to Sunland was sent directly to Craig Treasure.
- 19. I regard the issue of these invoices as entirely appropriate. I was prepared to accommodate any lawful request to produce documentation required by Hickey Lawyers to facilitate payment. This was all done transparently within our own accounting procedures. Quadrant has met all tax liabilities (including GST) for the work performed under this account.

All the facts and circumstances above deposed to are within my own knowledge and belief save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my affidavit.

Sworn by Anthony David Scott on 10 November 2005 at 8 Petrie Terrace, Brisbane in the State of Queensland in the presence of:

Deponent




~~Barrister/Solicitor/Justice of the Peace~~
Commissioner for Declarations

Signed:

Before:

Summary of Invoices and Payments received

Account Name	Code	Invoice	Date	Amount	Payments From		
Division 9 Campaign Committee	TED	817233	29/02/2004	6112.92			
		817234	29/02/2004	299.75			
		817235	29/02/2004	429.00			
		817236	29/02/2004	281.88			
		817237	29/02/2004	303.88			
		817272	29/02/2004	517.00			
		817314	19/03/2004	1709.95			
		817315	19/03/2004	344.74			
			4/03/2004		7127.69 Ted Shepherd		
			18/03/2004		816.75 Ted Shepherd		
			25/03/2004		2054.69 Ted Shepherd		
		817340	19/03/2004	0.01			
				9999.13	9999.13		
		Lionel Bardon Trust Account - R Scott	TEE	817238	29/02/2004	429.00	
				817239	29/02/2004	2087.25	
				817259	29/02/2004	1198.73	
				817265	29/02/2004	2083.13	
817266	29/02/2004			2357.58			
817268	29/02/2004			517.00			
817316	19/03/2004			2679.42			
817317	19/03/2004			286.00			
817318	19/03/2004			1279.65			
817319	19/03/2004			339.63			
817320	19/03/2004			1885.13			
817331	19/03/2004			6646.21			
817336	19/03/2004			1370.88			
817337	19/03/2004			88.00			
817338	19/03/2004			1234.75			
817341	19/03/2004			559.90			
817346	23/03/2004			0.57			
817347	23/03/2004			1630.99			
817467	31/03/2004			-1279.65			
817469	31/03/2004			294.25			
817482	31/03/2004			-0.57			
817483	31/03/2004			-1630.99			
Q403006	31/03/2004			1631.66			
817487	1/04/2004	985.30					
	4/03/2004		8000.00 Roxanne Scott				
	19/03/2004		672.89 hickey - Part of \$45000				
	31/03/2004		18001.03 Hickey				
		26673.72	26673.72				
Lionel Bardon Trust Account - B Rowe	TEG	817044	27/01/2004	405.63			
			19/03/2004		405.63 Hickey - Part of \$45000		
Lionel Bardon Trust Account - G Belts	TEF	817240	29/02/2004	536.25			
		817241	29/02/2004	2800.33			
		817242	29/02/2004	242.00			
		817243	29/02/2004	290.13			
		817244	29/02/2004	1564.75			
		817245	29/02/2004	1996.50			
		817246	29/02/2004	429.00			
		817281	29/02/2004	193.88			
		817282	29/02/2004	140.25			
		817283	29/02/2004	2083.13			
		817284	29/02/2004	1370.88			
		817267	29/02/2004	517.00			
		817271	29/02/2004	1288.03			
		817321	19/03/2004	1825.00			
		817322	19/03/2004	484.88			
		817323	19/03/2004	1690.15			
		817332	19/03/2004	341.00			
817333	19/03/2004	1235.03					

817334	19/03/2004	5661.87	
817339	19/03/2004	577.50	
817473	31/03/2004	-140.25	
Q403003	31/03/2004	876.96	
817486	1/04/2004	-985.30	
	4/03/2004		8000.00 Greg Betts
	19/03/2004		5432.13 Hickey - Part of \$45000
	10/08/2004		11000.00 FramwelGale
	16/11/2004		546.84 Sunland
		24978.97	24978.97

Southport Citizens for Change SCC

817348	24/03/2004	4618.10	
817488	31/03/2004	1279.65	
817470	31/03/2004	295.63	
817471	31/03/2004	199.38	
817472	31/03/2004	618.75	
817481	31/03/2004	-4618.10	
Q403024	31/03/2004	4618.10	
	31/03/2004		1998.87 Hickey
	19/08/2004		5000.00 Pronto Direct
	16/11/2004		12.64 Sunland
		7011.51	7011.51

Lionel Bardon Trust Account - G Pflorr THE

817045	27/01/2004	226.27	
817046	27/01/2004	177.71	
817247	29/02/2004	217.25	
817248	29/02/2004	343.75	
817249	29/02/2004	429.00	
817250	29/02/2004	182.88	
817251	29/02/2004	77.00	
817252	29/02/2004	1892.65	
817253	29/02/2004	386.75	
817254	29/02/2004	0.00	
817260	29/02/2004	1188.73	
817325	19/03/2004	6037.35	
817326	19/03/2004	1805.74	
817327	19/03/2004	929.50	
817328	19/03/2004	1877.15	
817329	19/03/2004	182.88	
817330	19/03/2004	266.79	
817335	19/03/2005	5408.76	
817474	31/03/2004	-584.86	
Q403004	31/03/2004	838.50	
817590	30/04/2004	104.01	
	19/03/2004		5143.89 Hickey - Part of \$45000
	19/03/2004		345.66 Hickey - Part of \$45000
	27/05/2004		10300.00 Hickey
15/12/2004	503	919.36	
	16/11/2004		7140.52 sunland
		22930.07	22930.07

Lionel Bardon Trust Account - Corporate VOT

817048	27/01/2004	11000.00	
817049	27/01/2004	11000.00	
817256	29/02/2004	11000.00	
	19/03/2004		33000.00 Hickey - part of \$45000
		33000.00	33000.00

Grant Pflorr Division 3 campaign account TEHGP

817281	12/03/2004	4306.50	
817282	12/03/2004	8915.15	
	18/03/2004		6915.15 G & E Pflorr
	19/03/2004		4306.50 G & E Pflorr
		11221.65	11221.65