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Salim Mehajer: it's good to be the deputy mayor

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There's a stunning tree in front of Salim Mehajer's mansion in Sydney's west.

This tree, glistening with brilliant white petals, was in full bloom when the developer, Auburn's deputy mayor, married his sweetheart, Aysha, formerly April Learmonth, a freckled strawberry-blond beautyician from Wollongong, in a lavish ceremony in August. It was "the wedding that stopped a suburb" quipped a TV reporter. It was also the wedding that made international headlines.

Four helicopters landed in a nearby park, disrupting a kid's soccer game. The kids, along with hundreds of others, looked on as the bridal party emerged from the hired choppers. From there, guests were driven two blocks in dozens of luxury white hire cars flanked by Harley-Davidsons to Frances Street, Lidcombe, which had been cordoned off for the occasion without council permission. Also in the conga-line of gangsta-gauche were dozens of bikies dressed in T-shirts bearing the symbol of Mehajer's company, a crown. At Mehajer's house, musicians in traditional Lebanese costumes beat drums as guests danced on the footpath near that tree.

Everything about the wedding was a statement. First there was the pre-wedding video that fantasised the couple's first meeting, bumping into each other in a sandstone courtyard at the University of Sydney, a long way from where young April Learmonth studied at the Illawarra College of Professional Beauty Therapy. In the video, Mehajer held up what looked like a real handgun as the voiceover said, "He'll do anything to keep it happily – ever – after." The pop starlet Missy Higgins sang at the reception, although she's now refusing to talk about the gig. *The Footy Show*'s resident jester, Beau Ryan, was a guest.

Mehajer presented to the world as a winner, a successful businessman, a prince. But since that perfect day, things haven't gone so well for Mehajer and his new bride. There have been well publicised run-ins with the law, a number of court appearances, and his business dealings have attracted unwelcome media attention. The tree in his front yard is still radiantly in bloom, but if you tap on the trunk you'll find it is hollow. Its leaves are plastic. The tree is fake.

Auburn councillor Irene Simms pulls her old hatchback to the kerb in front of the Mehajer tree. For years she's been complaining about Mehajer and others on the council to the Independent Commission Against Corruption NSW, the Department of Local Government and various state ministers. Until that wedding, her concerns had largely fallen on deaf ears.

Frances Street is one of those Sydney streetscapes that could be preserved as an example of how not to do urban design. Across the road is an original wooden cottage; the one next to that has been bricked in. On the other side sits a grim block of flats. Down the street is a mishmash of townhouses and columned boxes dwarfing the fibro houses of their neighbours who didn't do so well.

Simms hops out of her hatchback and stares up at Mehajer's pile. There's a crown on the front fence and another on the front door. The driveway leads underground to where Mehajer parks his fleet of flashy cars, including a Rolls-Royce, which he hires out for weddings, and a \$90,000 Mercedes G63. Through the glass doors we can see the curved onyx staircase where the US rapper Bow Wow filmed a video clip with his posse of busty dancers. "Baby, baby go crazy 'cause that's my dick," sang Bow Wow from that staircase, pointing at his dacks.

It is a deep, narrow block and the building consumes almost every square metre of it. Simms points out the internal lift well, which she says is over the council's height limit. She found out about this, she says, when she turned up to a council meeting this year and was confronted with a motion to approve the already completed work. She kicked up a stink. "Why do you keep picking on him?" one of the pro-developer councillors, known as the Super Six, asked. "We're councillors, we should follow the rules," replied an exasperated Simms, who is in the minority grouping they call The Poor Four. "This is Auburn," said the Super Sixer. Mehajer's lift-well was waved through.

"The quality of the father can be seen in the goals, dreams and aspirations he sets not only for himself, but for his family" – unattributed quote, Mehajer's Facebook page

Salim Mehajer was born in Sydney on June 12, 1986, into a large Lebanese family. He is, according to court transcripts, the third oldest of eight children; Khaled, Zenah, Salim, Fatima, Khadijeh, Aisha, Sanna and Mary. It is not clear when his father, Mohamad, and mother, Amal, migrated from Tripoli in the north of Lebanon. For a time Mohamad worked in the old Arnott's Biscuit Factory on

Parramatta Road before moving into the building game. In 1994, when Salim was still in primary school, Mohamad created Sydney Building Constructions Pty Ltd to develop residential units. By all accounts Mohamad was a hard worker; it helped that he was plying his trade in one of the fastest-growing urban areas in the country and in the shadow of Sydney's Olympic Park in the leadup to the 2000 Games.

Salim attended a local primary school and did part of his senior schooling at Trinity Catholic College, Auburn. A classmate from that time remembers him as being a "nice, quiet guy" who never caused any trouble. Photographs from the 1999 and 2000 school yearbooks, when Salim was in years eight and nine, picture him standing at the end of the row, by far the smallest boy, a head shorter than the girls. Acquaintances say that despite Khaled being the older brother, Salim was always the favoured son.

He finished his schooling at Arthur Phillip High School in Parramatta and his education from this point is a little hazy. Last year he told a Sydney court he had a bachelor of housing degree from Western Sydney University, which we have confirmed, and that he was enrolled in an environmental engineering course at the University of New England (UNE) and a legal studies course at the University of Sydney. A spokesperson from UNE said he was "no longer enrolled and he never graduated". Sydney said it has never had a student of that name.

We attempted to clarify these educational claims with Mehajer but he didn't respond to this or numerous other requests. He prefers puff pieces on commercial television to declare his intent to one day run for PM – "I would like to start off by being in state, federal and I'd like to make my way up to the very top spot. That would [be] my dream come true" – and picture spreads in *New Idea*. His wife's transformation from suburban surfer chick April Learmonth to Aysha Mehajer is so fantastic that earlier this year she entered the Miss Lebanon Australia Beauty Contest. She didn't win but was awarded Miss Personality.

The couple's lavish wedding reception had been years in the planning, but was delayed until Salim's father, Mohamad, was able to attend. He was in jail. In 2004, Mohamad refinanced a major unit development in Lidcombe with an \$18 million loan. In 2008, in the wake of the GFC, his project needed refinancing again. The first bank he approached rejected the application because the figures didn't add up. Not to be deterred, according to court documents, Mohamad made up a set of false figures and went to another bank. In December 2013 he was sentenced to jail for three and a half years, for the fraud and for bribing a bank employee with \$2000 in cash to

process the loan. He served only part of his sentence and was released in time for the big wedding in August.

Salim followed his old man into the construction game and into the courts. In just two days last month Mehajer, or his lawyers, appeared in five court cases in three different Sydney courts.

He is being sued by a Chinese cleaner who claims to be owed \$25,000 and who says he's not been paid for 10 months. The liquidators of his first company, SM Project Developments, are taking action against him over allegations of improper dealings and an \$890,000 debt to the tax office. Commercial broker Acuity Funding is also seeking \$1.98 million in alleged unpaid debts. In an interview with *Mortgage Professional Australia* magazine, Ranjit Thambyrajah describes his company, Acuity, as specialising “in sourcing funding options for clients who others have been unable to assist due to the complexities of their financing needs”.

Mehajer is the subject of an investigation by the NSW Office of Local Government for failing to disclose he was the owner of an Auburn commercial building before voting in favour of changes that added \$1 million to its value. Another, earlier, investigation by the same authority found he had, in 2012-13, filed “false or misleading” pecuniary interest forms. He denies the claims. His most recent pecuniary interest declaration shows he has an interest in 16 properties in western Sydney, from houses to major unit developments.

Also in the line-up, happy to take a swing at Mehajer during his two days as a judicial punching bag, were the police, who allege he threatened to kidnap the children of personal trainer Bruce Herat over a spat involving noisily dropped weights on a gym floor. Herat is the father of Sydney Lindt Cafe siege survivor Joel Herat.

Then there are his driving charges. On October 24, police stopped Mehajer for driving a Ferrari erratically along Canterbury Road, Punchbowl. He was charged with driving an unregistered vehicle and with not carrying a licence. Mehajer was allegedly warned not to drive the vehicle. He ignored police and half an hour later he was pulled over again, in the same car on the same road, and charged with the same offences.

Mehajer claims he is being targeted by police. He is. They have established a “watching brief” on him because of his associations with known criminals, among

them Walid “Wally” Elriche. In August, Elriche was sentenced to nine months jail for banging on the door of a house in Castle Hill and threatening the occupant over an alleged \$25,000 debt. Elriche is well known to police, who have trawled through video footage from Mehajer’s wedding to see who else of interest was there.

Also last month Mehajer’s insurer, NRMA, made a \$1.72 million settlement to two women who were badly injured in an accident in 2012, when Mehajer lost control of his \$300,000 Ferrari. The following year he was convicted of negligent driving causing grievous bodily harm but successfully appealed the conviction.

In August, his own council fined him \$220 for closing off his street on his wedding day. And then there’s the row over the onyx staircase on which the rapper Bow Wow revealed his yearning for a threesome with his “two bad bitches”. Sydney stonemason Yashar Shokrgozar tells us he was shocked to turn on the television in August to see reports of Mehajer’s opulent wedding, costing hundreds of thousands of dollars, when he was still owed many thousands of dollars for building that staircase. Shokrgozar tells us that when Mehajer first turned up with his project manager to his Sydney stone masonry, MarmOnyx, he was driving an old ute. “I wasn’t aware he was a deputy mayor or a big builder – he just wanted to negotiate a price.” They agreed on a deal and in May 2014 he signed a contract with a company he thought belonged to Mehajer. “At first, he seemed like a nice guy,” Shokrgozar says. The pair were in regular email contact during the construction and installation, with Mehajer using his Auburn Council email address. It was a complicated job involving many hundreds of man-hours.

Mehajer paid the first instalment using a personal bank cheque. There were issues with the second payment, Shokrgozar says, “so we stopped the job”. Mehajer eventually paid, again by personal cheque. When the job was finished, Shokrgozar says Mehajer wouldn’t answer phone calls or emails. Then, he says, Mehajer threatened to issue back-charges of \$30,000 for holding up the job.

Shokrgozar instigated court proceedings. He says Mehajer then revealed the original contract the stonemason had signed was with a company called Sydney Building Construction Pty Ltd, which had belonged to Mehajer’s father, Mohamad. That company was in liquidation and was in the process of being wound up. Mohamad, the company director, was in jail at the time. “As the residential owner,” Mehajer is reported as saying, “MarmOnyx has made a claim against myself instead of the subcontractor he was dealing with; a major error.” The pair settled out of court last month; Shokrgozar was paid an undisclosed amount, but Mehajer’s lawyers insisted

that the stonemason sign a letter of apology that Mehajer later waved to a television camera. Shokrgozar tells us he didn't want to sign this letter; he just wanted the matter over and done with. "I just wanted to get my money," he says. "I couldn't afford to fight it anymore."

"Take time to appreciate employees and they will reciprocate in a thousand ways" – unattributed quote, Mehajer's Facebook page

In a Sydney court last year Ahmad Yaseen, described as Mehajer's "right hand man" and general manager for his group of companies, made a startling admission – that he had signed more than 20 fake creditor claims for SM Project Developments, a company jointly owned by Mehajer and Minh Hua, an Auburn real estate agent and former Auburn councillor. Hua is also an owner of Combined Real Estate, Auburn, with his sister-in-law and the current Auburn mayor Le "Lilly" Lam.

SM Project Development was forced into liquidation by the ATO in 2013 for failing to pass on the GST it had collected from the sale of a unit development. It owed \$837,000 in unpaid taxes and penalties. Last September, liquidators held hearings in the Federal Court to explore where the money went.

Yaseen, then 25, admitted he had forged signatures and issued more than 20 fake invoices to creditors, some for as much as \$198,000. This is a well-travelled path for construction companies facing liquidation as it dilutes the money that the true creditors, in this case the ATO, would receive from any money recovered. Yaseen told the court he was not acting under instruction from Mehajer, and Mehajer said he was unaware that Yaseen had created and signed the fake invoices. Mehajer signed an affidavit stating, "With regards to the creditors outstanding, I have come to an arrangement with all of the creditors except the ATO." He could not adequately explain how this could be the case as it appears the creditors were not actually owed money.

When those "creditors" began receiving court attendance notices from the liquidators, they rang Mehajer to find out what it was about. Mehajer told them they should "seek legal advice, whether it be independent or not". Many of the creditors somehow found their way to the lawyer Zenah Osman, also known as Zenah Mehajer, his sister. Her company, Mehajer Law Group (MLG), has its offices in the same building as Salim's companies in Sefton. Salim was, until recently, the secretary of MLG. And so you had the ludicrous situation where creditors, who were supposedly demanding money from Salim Mehajer, were receiving legal advice

from his sister. A complaint against her has been lodged with the NSW Office of the Legal Services Commissioner but Mehajer's camp says "the complaints were dismissed". The Office of the Legal Services Commissioner would neither confirm nor deny if a complaint had been lodged or adjudicated.

When he got wind that the ATO were after his company, Mehajer and Minh Hua signed dozens of cash cheques totalling hundreds of thousands of dollars. "Do you have any recollection as to what these payments relate to?" Mehajer was asked. "It is impossible to tell what these relate to," Mehajer, the company director who signed the cheques, replied. At another point, when the questioning became difficult, he said "my brain is not functioning and operating very well now".

Mehajer offered a novel defence: he claimed he wasn't attempting to defraud or mislead the ATO, and the proof of this lay in the fact that he hadn't changed the ownership details of the property the company owned, or attempted to sell it, in order to shield it from the liquidators. "If we knew that a liquidation was coming, obviously we would have," he told the court.

The liquidators recently lodged a statement of claim in the NSW Supreme Court. The purpose of these proceedings is to prove that Mehajer and Minh Hua breached their duties as directors, which could make them personally liable for the company's debts. The ATO is gunning for their houses. It was revealed in the hearings last year that Mehajer has at least \$3,350,000 in a family trust.

While Mehajer told the court in 2014 that his house was worth \$1 million, a mortgage broker was told something else. In a company and personal asset and liability statement (which we have seen) recently submitted to refinance a loan, Aysha Mehajer (now a director of many of Mehajer's companies) claimed their house was worth \$4.1 million. She also claimed the companies had \$52,337,000 in assets, \$19,340,000 in debts, and \$785,000 cash in the bank; other assets included \$1.6 million worth of cars, boats and jet skis. The terms for this \$16 million loan were 5.5 per cent to arrange the loan and a monthly interest rate of 1.5 per cent.

"I always believe the sky is the beginning of the limit" – unattributed quote, Mehajer's Facebook page

Auburn mayor Le "Lilly" Lam opens the council meeting with a prayer: *We give thanks to God for being elected to this office of honour and trust. Give us the grace, diligence and honesty free from private interest to discharge the duties*

entrusted to us. May we serve all our community for the common good.

Following the delivery of this prayer last month, Lam made the disclosure that her brother-in-law and business partner Minh Hua was in business with Salim Mehajer and that she therefore would withdraw from voting on Mehajer's developments. She claimed not to have known Hua and Mehajer had been in a business together for many years.

Being a developer or a real estate agent on a council is like playing poker and getting a peek at the cards before they are dealt. In 2012, the NSW Liberal Government changed section 451 of the Local Government Act and allowed councillors to vote on rezoning proposals in which they had a direct pecuniary interest (a decision it recently reversed). The sky, as Mehajer would say, became the beginning of the limit.

Just two months after this legislation was enacted, the pro-developer councillors pushed for height limits in Auburn to be lifted from six storeys to between 11 and 14. It was like winning the lottery for those who owned land and had developments in the pipeline. Irene Simms and a number of other councillors staged a series of walkouts to deprive the council of a quorum in a bid to prevent these changes. It was no use; the vote went through to drastically increase height and floor limits.

What was unknown at the time was that not only was Lam's brother-in-law, Minh Hua, in business with Salim, but her real estate company, Combined Real Estate, was earning tens of thousands of dollars a year in strata management fees from developments built by Mehajer and his family. Lam has voted in favour of allowing Mehajer to develop an additional \$30 million of luxury apartments beyond existing approved limits – the “cream” for property developers – without once disclosing she and Mehajer share a business partner.

Over coffee in Auburn one Sunday afternoon the mayor is unapologetic and says she has no problems with property developers holding positions of power on councils. “Without developers the whole country would collapse,” she says. As for her friend, Mehajer: “If people are young and capable do they deserve a pat on the shoulder or a kick in the bum?”

Her business partner, Minh Hua, should have been well aware of the rules regarding disclosure as he is a former Auburn councillor. Hua and Lam ran for years as the Unity Party, which Lam says was in response to Pauline Hanson's rise and it wooed

the Asian vote. Another member of the former Unity Party, whom Lam prefers not to dwell on, is former councillor Jack Au. In 2012 he was found to have engaged in “serious corrupt conduct” by NSW’s ICAC for taking a \$4500 bribe from developer Shu Xiang Liang in return for approving a development and was stood down from council.

Hua was on the council from 1999 to 2004 and in 2001 he and Lam voted in favour of Mohamad Mehajer’s first major property development, 52-56 John Street in Lidcombe’s main drag. When Mohamad’s company Sydney Building Developments was placed in liquidation in 2009, Salim Mehajer took control of the John Street project. By that stage Hua and Salim had established SM Project Developments. Since Mehajer and Hua went into business, Lam has voted to approve height increases of seven to nine storeys on three of Mehajer’s apartment towers in Lidcombe, adding 42 apartments worth about \$33 million.

Lam claims she had no idea her brother-in-law and business partner of over a decade Minh Hua had been in business with Mehajer since 2008. “I don’t have the privilege to know all my brother-in-law’s business,” she tells us. She also claims not to have known Combined Real Estate had for years managed Mehajer family buildings. Hua handled this side of the business, she says. When pressed to confirm her company did work for Mehajer, she replies: “I believe so.”

Mehajer is not the only developer on council that Lam’s company, Combined Real Estate, has done business with. Councillor Ronney Oueik is one of Auburn’s major developers and a former mayor. Oueik reveals to us that Lam’s company had been the strata managers for a block of units he developed six years ago on St Hillier’s Road, Auburn. Other councillors say Lam has never declared an interest when voting on developments associated with Oueik, a Liberal councillor who stood against NSW Labor Leader Luke Foley in the seat of Auburn.

The mayor also voted in favour of increasing the height limits for a major development of Oueik’s in Park Road, Auburn, across the road from Trinity Catholic College, Mehajer’s old school. This was despite strong objections from the school and the NSW Catholic Education Office. The change has added tens of millions of dollars to the value of Oueik’s development, increasing the number of units from 98 to 184.

Despite the seeming conflicts of interest, the NSW government has previously shown little interest. One of Irene Simms’ counterparts in the Poor Four, Labor

councillor George Campbell, tells us that he first alerted the Department of Local Government to his concerns in 2008. “I was told, ‘You can deal with it under your code of conduct’, but that was a joke because I don’t have confidence in the code of conduct processes,” Campbell says. He adds: “The idea that Lilly Lam did not know that her brother-in-law was in business with Mehajer is absolutely absurd.”

Last month a majority of councillors voted for Mehajer to resign – but they can’t force him off and he’s standing firm.

“Even if you fall on your face, you’re still moving forward” – unattributed quote, Mehajer’s Facebook page

All this is in the public domain because of Salim Mehajer’s ostentatious wedding. As Oueik says: “Maybe I am old school, but if I won Lotto, I wouldn’t be telling everyone.”

Mehajer’s dealings have raised serious concerns about the role of developers and real estate agents on councils. His opponents say that the checks and balances didn’t work. In NSW, it is illegal for developers to make donations to state politicians and political parties; in local government they’ve simply cut out the middleman. NSW Opposition Leader Foley has called for developers and real estate agents to be banned from running for local government. “When one is running a property development business or real estate business the conflicts of interest are too great to overcome,” Foley says.

A spokeswoman for NSW Minister for Local Government Paul Toole says “preliminary inquiries” are continuing into Auburn Council. “Other issues relating to councillors’ pecuniary interests and misconduct are being considered as part of the broader review of the act,” the spokeswoman says. “What we need is comprehensive reform of local government in NSW.”

Meanwhile, Mehajer is still trying to keep the wolves from the door of his empire. Last month he resigned as a director from six of his companies, installing his wife instead. He said he would become a doctor “specialising in mental health”. Out the front of Mehajer’s house, his tree is still in bloom, but it looks like the honeymoon is over.