

Corrupt conduct of a Willoughby City Council officer

ICAC FINDINGS

The ICAC has found that former Willoughby City Council building inspector and development officer, Edward Karkowski, engaged in corrupt conduct by exercising his official functions to favour various business owners in the Chatswood area in return for benefits such as cash, gifts, free meals, and free massages and sexual services. Mr Karkowski's corrupt conduct included:

- failing to report to the Council that the Oriana Bath House was illegally operating as a brothel, because he was receiving free sexual services there
- dishonestly submitting a false claim for overtime on 6 July 2010 and accepting payment for that claim when he was not at Council premises but was at the Oriana Bath House, where he received free sexual services
- writing an Alternative Solution Report relating to shop P8 at Chatswood Central, placing the report on the Council file, and relying on the report to consider the issue of an occupation certificate, all in return for receiving two gift vouchers totalling \$750
- writing an Alternative Solution Report for Chatswood's Red Chilli Sichuan Restaurant, and relying on the report to issue an occupation certificate, in appreciation for having received free hospitality and a Montblanc pen from persons associated with the restaurant
- providing developer Sam Koura with an engineering report and a confidential draft assessment report; divulging to Mr Koura details of an objection lodged with the Council (including details of the objector's identity); and providing a copy of the complaint lodged with the Council against a private certifier to Mr Koura, all in return for benefits received from Mr Koura.

ICAC RECOMMENDATIONS

The ICAC recommends that the advice of the Director of Public Prosecutions should be obtained with regard to the prosecution of Mr Karkowski for various offences including:

- offences under section 249B of the *Crimes Act 1900* in relation to soliciting or receiving corrupt benefits in return for not reporting to the Council that the Oriana Bath House was operating as a brothel
- an offence under section 192E of the *Crimes Act* in relation to dishonestly submitting a claim for overtime and accepting payment for that claim for hours worked between 5.15 pm and 6.50 pm on 6 July 2010
- offences under section 249B of the *Crimes Act* in relation to soliciting or receiving corrupt benefits in return for writing an Alternative Solution Report in respect of shop P8 at Chatswood Central, and in relation to receiving corrupt benefits in return for exercising his official functions to favour the interests of the Red Chilli Sichuan Restaurant
- common law offences of misconduct in public office for providing Council information for private purposes in return for receipt of benefits.

The Commission has also made seven corruption prevention recommendations. These recommendations will be furnished to Willoughby City Council and to the Minister for Planning and Infrastructure. They will also be provided to the Department of Planning and Infrastructure.

BACKGROUND

On 18 March 2010, the Commission received information from a complainant that Mr Karkowski had accepted gifts, free meals and free visits to massage parlours in return for fast tracking development applications. It was also alleged he had delayed the processing of development applications lodged by the business competitors of the people from whom he received these benefits. The ICAC held a public inquiry into this matter in March 2011 at which the ICAC Commissioner, the Hon David Ipp AO QC presided. The investigation report is available on the ICAC website at www.icac.nsw.gov.au.

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