

**Investigation into the offer of a corrupt payment to an officer of  
Strathfield Municipal Council****ICAC FINDINGS**

- The ICAC finds that David Pyo engaged in corrupt conduct through sending \$2,000 to Strathfield Municipal Council General Manager, David Backhouse, which Mr Pyo intended, or expected, Mr Backhouse would keep for his personal use and in return, if necessary, use his position as General Manager to assist Mr Pyo to achieve a favourable outcome to licence agreement negotiations that were underway in relation to operational use of council property at Homebush.

**ICAC RECOMMENDATIONS**

- The Commission is of the opinion that consideration should be given to obtaining the advice of the Director of Public Prosecutions (DPP) with respect to the prosecution of Mr Pyo for an offence of offering a corrupt benefit contrary to section 249B(2) of the *Crimes Act 1900* (NSW).

**CORRUPTION PREVENTION RECOMMENDATIONS**

The ICAC has made five corruption prevention recommendations to help address deficiencies, including that that the Council:

- reviews its Purchasing and Tendering Operational Guidelines to provide clear guidance on EOI processes that do not form part of a formal tender, particularly regarding circumstances surrounding the acceptance of late submissions.
- amends the above guidelines to specify the types of EOIs that must be advertised in a Sydney metropolitan daily newspaper as well as in the local press and on its website
- conducts various activities in relation to record-keeping including reviewing its record-keeping practices to ensure adequate procedures are in place to capture and maintain all relevant documents, and conducting a compliance audit of its record management systems against the requirements of the *State Records Act 1998*.

The report notes that this investigation also highlights the need for local councils to communicate business ethics clearly to those with limited literacy skills in English who wish to do business with Council.

The Commission recommends that the Local Government Division of the Department of Premier and Cabinet issue a Circular to all local councils in NSW to communicate anti-corruption messages to their communities in relevant languages for their areas. It also recommends that Strathfield Municipal Council commences a campaign to educate its community in relevant languages that corrupt acts such as bribery or other inducements are not acceptable and will be reported to the Commission.

**BACKGROUND**

- On 2 December 2009, Mr Pyo met with the Council's Manager of Community Services, Michael Chau, and gave him a sealed envelope to give to Mr Backhouse. Mr Chau gave the envelope to Mr Backhouse who, upon opening the envelope, found a Christmas card, \$2,000 in \$100 notes and a note with the handwritten words: "Hello David. Thank you for your advice and help. Thank you form (sic) David". Mr Backhouse reported the matter to the ICAC.
- A public inquiry was held into this matter on 18 February 2010 at which Assistant Commissioner Theresa Hamilton presided, and three people gave evidence. The full report is available on the ICAC website at [www.icac.nsw.gov.au](http://www.icac.nsw.gov.au).

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