

Conduct of a University of New England (UNE) procurement officer & UNE contractors**ICAC FINDINGS**

The ICAC found that Colin McCallum engaged in corrupt conduct during various dealings he had with contractors to UNE including:

- accepting free hospitality from Quad Services Pty Ltd, which he knew at the time was contrary to the UNE code of conduct and which he knew by at least December 2009 was influencing him to act in favour of Quad Services
- arranging to have Quad Services issue invoices to UNE which came to approximately \$29,000, that falsely described the costs associated with the van used by the company and a five per cent administration fee as “external cleaning” so that Quad Services would obtain money from UNE
- accepting free hospitality from Sydney Night Patrol and Inquiry Services Pty Ltd (SNP), which he knew at the time was contrary to the UNE code of conduct and the gifts and benefits policy
- entering into an agreement with Prosys Services whereby he engaged the company to undertake work for UNE for which UNE would pay Prosys Services \$7,000 in return for Prosys Services contributing \$7,000 towards a private New England Rugby Union (NERU) function, and approving payment of an invoice in furtherance of the agreement
- arranging to have SNP issue invoices to UNE totalling about \$19,400 which falsely described the costs associated with a vehicle as “alarm service” work so that SNP could obtain money from UNE that he knew UNE would not otherwise pay, and approving payment of those invoices
- approving payment of SNP invoices for the provision of security guards for NERU rugby matches in 2006, 2007 and 2008 and thereby falsely representing that the approximately \$5,700 of charges in the invoices had been incurred for the benefit of UNE
- dishonestly arranging for Sport UNE to waive payment by NERU of venue hire fees of \$9,635 in return for UNE not billing Sport UNE for two months’ cleaning in 2010.

The ICAC found that Quad Services’ Dobrilla Cutler engaged in corrupt conduct in causing the company to issue invoices to UNE that she knew falsely described the costs associated with the van used by Quad Services and the five per cent administration fee. Neville Magi of Prosys Services engaged in corrupt conduct by entering into the agreement with Mr McCallum and for causing Prosys Services to send a quote and invoice to UNE in furtherance of that agreement. Martin McLean of SNP engaged in corrupt conduct by causing SNP to issue invoices to UNE, which he knew falsely described the costs associated with a vehicle as “alarm service” work to obtain money for SNP.

ICAC RECOMMENDATIONS

The ICAC is of the opinion that the advice of the Director of Public Prosecutions (DPP) should be sought with respect to the prosecution of Mr McCallum for offences under sections 178BB(1) and 192E(1) of the *Crimes Act 1900*. The relevant offences would be his conduct in approving payment of the SNP invoices and dishonestly arranging for Sport UNE to waive payment by NERU of venue hire fees. The Commission is of the opinion that the advice of the DPP should be sought with respect to the prosecution of Mr McLean for offences under section 178BB(1) of the *Crimes Act* in relation to his issuing instructions to the SNP billing and payroll officer to include charges of “alarm service” work in invoices to UNE when he knew that no such work was in fact performed by SNP.

CORRUPTION PREVENTION

The Commission has made five corruption prevention recommendations including that UNE: ensures that the management team of Facilities Management Services (FMS) enforces a zero tolerance on gifts and benefits from suppliers to FMS; ensures that all foreseeable expenditure be included in the project budget and the use of contingency funds triggers management approval; examines models that exist for select- and single-invite tendering and adapts the most suitable model to its needs; re-designs its procurement processes by taking into account opportunities for corruption and formalises the processes in policy; acts promptly to fill temporary gaps in audit and procurement capability by outsourcing while permanent positions are vacant.