

Thursday 27 August 2020

Investigation into the alleged corrupt practices of a headlease coordinator the NSW Department of Family and Community Services

ICAC FINDINGS

The ICAC finds that Chase Baynham engaged in serious corrupt conduct by:

- between August 2015 and February 2018, improperly exercising his official functions as a headlease coordinator to obtain \$1,673,330 for his company, Sardonyx Project Management Pty Ltd, by authorising payments himself, or arranging for the authorisation of payments, to real estate agents/owners for work on properties leased by the NSW Land and Housing Corporation, knowing that the real estate agents/owners would then pay Sardonyx Project Management
- misusing information or material acquired in relation to properties at 62 Mason Street, Maroubra, and 1 First Avenue, Maroubra, and, as a consequence, securing work for Sardonyx Project Management at the two properties
- authorising the payment by the Department of Family and Community Services of two invoices dated 2 February 2017 and 10 March 2017 purportedly from contractor AJ Frankfort for work carried out at 23 Centennial Street, Marrickville, which he knew to be false in order to obtain the invoiced amounts totalling \$16,970.80 for the benefit of Sardonyx Project Management.

ICAC RECOMMENDATIONS

The Commission seeks the advice of the Director of Public Prosecutions (DPP) on whether any prosecution should be commenced. The DPP determines whether any criminal charges can be laid, and conducts all prosecutions. The ICAC is of the opinion that the advice of the DPP should be obtained with respect to the prosecution of Mr Baynham for the following offences:

- misconduct in public office in relation to his involvement in the works carried out on headleased properties, including the authorisation of payments totalling \$1,673,330 ultimately received by his company, Sardonyx Project Management Pty Ltd, and the misuse of information or material he acquired in the course of his official functions
- fraud pursuant to section 192E of the *Crimes Act 1900* in relation to obtaining a financial benefit through the creation of two invoices dated 2 February 2017 and 10 March 2017, purportedly from a contractor, which he knew to be false.

CORRUPTION PREVENTION

The Commission's investigation identified numerous control failures across operational, financial and human resource processes and procedures. The Commission has made 14 corruption prevention recommendations to assist the Department of Communities and Justice to reduce further opportunities for corrupt conduct. The full list of corruption prevention recommendations is available [here](#).

BACKGROUND

On 4 December 2017, the Commission received a report from FACS under section 11 of the ICAC Act with regard to serious allegations concerning Mr Baynham, including that he failed to notify the Department of Family and Community Services (FACS) of his private employment and had been quoting and invoicing for maintenance works on headleased properties using his company, Sardonyx Project Management. The Commission commenced a preliminary investigation in January 2018. The evidence gathered during the preliminary investigation corroborated the allegation that Mr Baynham had failed to notify FACS that he had engaged in private employment as the director of Sardonyx Project Management and that he had manipulated the quotation process to ensure the engagement of Sardonyx Project Management by agents/owners of headleased properties. In April 2018, the Commission decided to undertake a more extensive investigation. Read the full report [here](#).

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