

MEDIA RELEASE

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CCC report reveals corruption within the North Metropolitan Health Service and serious warnings for public sector agencies and private sector contractors

The Corruption and Crime Commission (CCC) has today tabled in State Parliament a comprehensive report into corrupt activity at the North Metropolitan Health Service (NMHS) that went undetected for up to a decade.

The [*Report into bribery and corruption in maintenance and service contracts within North Metropolitan Health Service*](#) highlights serious misconduct at its most shocking – corrupt relationships between the private and public sectors resulting in the gross misuse and fraudulent misappropriation of hundreds of thousands of dollars of public funds.

The Commission heard evidence of corruption and serious misconduct involving public officers who:

- accepted tens of thousands of dollars in gifts of interstate and overseas travel and accommodation from contractors in return for awarding them work;
- accepted tens of thousands of dollars in gifts of expensive restaurant meals, entertainment, alcohol and other gratuities in return for awarding work;
- received thousands of dollars in cash payments from contractors in return for awarding them continued work;
- facilitated contractors to fraudulently invoice NMHS to cover the costs of the corrupt benefits of travel, accommodation, meals, entertainment and cash they received;
- colluded with particular contractors in 'bid rigging' activities for the purpose of subverting the WA Health and NMHS procurement processes; and
- a senior public officer used contractors to renovate his private residence at a discount and then facilitated the building contractors to fraudulently invoice NMHS approximately \$170,000 for works carried out on his private residence.

"Every dollar corruptly converted was a dollar less to be spent on healthcare," notes the Report. "Public servants should receive no reward for doing the job they are paid to do, except 'thanks'."

The Commission investigation commenced following an allegation from a relatively junior whistle-blower.

Contact the Corruption and Crime Commission

The Report recommends that prosecuting authorities consider preferring criminal charges against three former public servants (including a former Executive Director of Facilities Management at NMHS and a former Executive Director of Perth Children's Hospital Service Integration) and no fewer than 10 private sector contractors.

The Commission is concerned that what it has uncovered may be just a sample of what may be occurring in WA Health, and possibly in other larger WA Government agencies with significant contracting activities worth hundreds of millions of dollars.

"How certain are Departmental Heads, Directors General and Chief Executive Officers that behaviour identified in this investigation is not happening under their noses?" notes the Report.

At NMHS, the corrupt conduct continued and arguably intensified, despite the findings of an audit conducted by the Department of Health which identified significant deficiencies in the procurement practices of the Facilities Management business unit at NMHS.

The report delivers salutary lessons for public sector agencies in detailing how the corruption remained undetected for so long, the deliberate subversion of policies and procedures, the lack of independent oversight, and the segregation of duties.

As the Report notes "Corruption hides in poor processes and lazy oversight".

Download the Report

Report - [Report into bribery and corruption in maintenance and service contracts within North Metropolitan Health Service](#)

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