

Investigation into the conduct of a senior officer of the Department of Justice and others

ICAC FINDINGS

The ICAC found that, during 2013, Anthony Andjic and Shadi Chacra engaged in serious corrupt conduct by agreeing that Mr Andjic would improperly exercise his official functions to financially benefit Mr Chacra. This agreement involved Mr Andjic arranging for the awarding of departmental contracts to Triton for the project management of the Camden and Picton courthouses upgrade project, and the departmental construction contracts for the Cessnock, East Maitland and Tamworth courthouses upgrades, and the Spring Street, Sydney, office refurbishment, and the awarding of contracts to SAFF for the project management of the Cessnock, Cowra, East Maitland and Gunnedah courthouses upgrades and a consultancy services contract.

Mr Andjic and Fayrouz Hammoud engaged in serious corrupt conduct by agreeing that Mr Andjic would improperly exercise his official functions to financially benefit Mr Chacra and Fayrouz Hammoud. This agreement involved Mr Andjic arranging for the awarding of the departmental construction contract to Triton for the Cessnock courthouse upgrade and the awarding of the departmental contracts to SAFF for the project management of the Cessnock, Cowra, East Maitland and Gunnedah courthouses upgrades and a consultancy services contract.

Mr Andjic and Fatima Hammoud engaged in serious corrupt conduct by agreeing to financially benefit Fatima Hammoud through the preparation and submission to the Department of an application by Fatima Hammoud for employment as a project development officer, which they both knew contained false information, with the intention that the false information would assist her to obtain a higher paying position within the then Department of Attorney General and Justice, and whereby Mr Andjic would improperly favour Fatima Hammoud in the selection process by recommending she be appointed to the position.

ICAC RECOMMENDATIONS

The Commission is of the opinion that consideration should be given to obtaining the advice of the Director of Public Prosecutions with respect to the prosecution of:

- Mr Andjic, Mr Chacra and Fayrouz Hammoud for offences under section 192E(1) and section 192G of the *Crimes Act 1900*, and of Mr Chacra and Fayrouz Hammoud with offences under section 193B(2) of the *Crimes Act*, of knowingly dealing with the proceeds of crime in relation to their dealings with the money improperly obtained from the Department
- Fatima Hammoud with an offence under section 193C(2) of the *Crimes Act* of dealing with property where there are reasonable grounds to suspect the property is proceeds of crime in relation to her dealing with part of the money improperly obtained from the Department
- Mr Andjic and Fatima Hammoud for an offence of conspiracy to commit an offence under section 192G of the *Crimes Act* in relation to the publishing of a false application for the position of project development officer
- Mr Andjic, Fatima Hammoud and her mother, Hakime Hammoud for offences under section 87 of the *Independent Commission Against Corruption Act 1988*.

CORRUPTION PREVENTION

The Commission has made six corruption prevention recommendations to the NSW Department of Justice to help it prevent the recurrence of the behaviour that was examined in this investigation.

More.../2

These recommendations include that:

- the Department ensures that the implementation of its upcoming program of capital works contains a mechanism to periodically review the program to ensure that its projects remain consistent with its business strategy and operating environment
- the Department finalises its restructure of Asset Management Services as a priority and recruits staff to permanently fill the associated positions
- the Department completes the implementation of its proposed electronic document and records management system
- the Department develops a framework for governing its procurement activities that: assigns governance roles and responsibilities for different types of procurement, such as goods and services procurement and construction procurement; and has mechanisms to detect non-compliance with procedural controls, such as the mandated use of pre-qualified suppliers
- when developing its procurement governance framework, the Department reviews its resourcing of procurement governance to ensure that this resourcing is sufficient to successfully fulfil the associated procurement governance roles and responsibilities
- as part of the implementation of its new enterprise resource planning system, the Department of Justice reviews its procure-to-pay processes to ensure that: there is scrutiny around the creation of new vendors, especially if they are newly established companies; system controls are designed to make certain an individual who certifies performance of service is familiar with the work in question.

BACKGROUND

This matter came to the Commission's attention via a report received under section 11 of the ICAC Act in October 2013 from the acting director-general of the then NSW Department of Attorney General and Justice. This section of the ICAC Act requires the principal officer of a public authority to report to the Commission any matter the person suspects on reasonable grounds concerns or may concern corrupt conduct.

The Commission held a public inquiry in aid of this investigation from 22 June to 3 July 2015. Commissioner the Hon Megan Latham presided at the public inquiry, at which 18 witnesses gave evidence. At the conclusion of the public inquiry, Counsel Assisting the Commission prepared submissions setting out the evidence and indentifying the findings and recommendations that the Commission could make based on the evidence. Completion of these submissions was delayed in order to address changes made to the ICAC Act by the *Independent Commission Against Corruption Amendment Act 2015*, which commenced on 28 September 2015. These submissions were provided to relevant parties on 30 November 2015.

The Commission's Corruption Prevention Division also prepared submissions concerning departmental procurement practices. During early 2016, submissions in response were received from the Department of Justice, Fatima Hammoud and her mother, Hakime Hammoud. No submissions were received from Mr Andjic or Mr Chacra. The last submission was received on 1 March 2016. All the submissions received in response have been taken into account in preparing the report.

The report is available on the ICAC website at www.icac.nsw.gov.au.

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