

Common themes in six previous ICAC investigations into RailCorp

This is a summary of the types of corrupt conduct and modus operandi found in six previous ICAC investigations into RailCorp and its forebears. The six investigations are:

1. Report on Investigation into the State Rail Authority – Trackfast Division (1992)
2. Report on Investigation into the State Rail Authority – Northern Region (1993)
3. A Major Investigation into Corruption in the Former State Rail Authority (1998)
4. Corrupt Networks: Report into the conduct of a technical specialist in the SRA (2001)
5. Report on investigation into defrauding the RTA and RailCorp in relation to provision of traffic management services (2006)
6. Report on an investigation into corrupt conduct associated with RailCorp air-conditioning contracts (2007).

The most common types of corrupt conduct identified over the past six investigations are collusion, fraud and falsification of information (see Table 1).

Table 1: Common types of corrupt conduct

Type of Conduct	Year of Report						Present in Monto? 2007 / 2008
	1992	1993	1998	2001	2006	2007	
Collusion	✓	✓		✓	✓	✓	✓
Favouritism	✓		✓			✓	✓
Fraud		✓	✓	✓	✓		✓
Falsification of information		✓	✓	✓	✓	✓	✓
Bribery		✓	✓				✓
Conflict of interest			✓	✓		✓	✓

Utilisation/exploitation of professional relationships and friendships was identified as a key modus operandi in most investigations. The increasing emphasis in recommendations from recent reports on the need for improved monitoring/auditing of procurement records, suggests that falsification of information in procurement processes also remains a continuing problem. Table 2 summarises the modus operandi employed by corrupt individuals in the past six investigations.

Table 2: Common modus operandi

Modus Operandi	Year of Report						Present in Monto? 2007 / 2008
	1992	1993	1998	2001	2006	2007	
Drafting/falsifying tenders etc	✓			✓			✓
Recommending contractors/allocating work to favourites	✓	✓	✓	✓		✓	✓
False/inadequate certifying of claims	✓	✓	✓				✓
Help contractors prepare claims etc	✓	✓					✓
Use/exploit professional relationships		✓		✓	✓	✓	✓
Overcharging/false claims			✓		✓		✓
Disguised fraud					✓	✓	✓
Rail employees use own companies						✓	✓

While there is consistency in the practise of managers/supervisors improperly recommending and allocating work to favoured contractors, there is change over time in other practises. For example, in 1992, 1993, and 1998 the false or inadequate certification of contractors' claims of work performed (so as to enable them to receive payment) was common, but this was not a feature in the last three reports – although it appears common in some segments of Operation Monto.

In recent investigations, corrupt employees appear to rely more on indirect methods to pursue corrupt objectives, specifically utilising RailCorp's policy of contracting out services as a cover for corrupt schemes that involve procurement from contractors.

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