

MEDIA RELEASE

7 April 2022

CCC investigation reveals a web of corruption, manipulation, and deceit in Housing contracts

The Corruption and Crime Commission has tabled a report in State Parliament today detailing another example of corruption made possible by flawed systems and poor oversight with powerful lessons for all public sector agencies.

The report reveals how Mark Ainslie, a senior project delivery manager with Housing (now part of the Department of Communities), was paid by two men (Peter Haxby of HRD Construction Management and Nicholas Rumenos, of Griffin Civil) whose companies were awarded lucrative contracts by the Department – with Mr Ainslie’s assistance.

The corruption came to light during the Department of Communities’ own review of all its business areas in the wake of the arrest of the former Assistant Director General on corruption charges in 2019.

An officer noticed an unusual transaction by Mr Ainslie and reported it to their superior, David Leszenko – a man who enforced policies and procedures in relation to contracts and encouraged his team to report anomalies.

The report serves as a warning to all other State Government departments to ensure they have strong corruption prevention controls. Having procedures is not enough. They must be followed and enforced. Is every Director General or CEO confident that the events outlined in this report could not happen in their own department?

How the misconduct occurred on this occasion was relatively simple. Mr Ainslie had considerable discretion over the award of contracts for construction, renovation and repair of social housing in regional and Aboriginal communities, including authority to award contracts of up to \$50,000 without competitive quotes. There were inadequate checks and balances in the system. He was not held to account.

Mr Ainslie and Mr Haxby had known each other since they both worked in the TAFE sector back before 2000. Later Mr Haxby worked for Mr Ainslie’s company and in 2014 HRD Construction became an approved vendor on Housing’s system.

The deal between the two was that Mr Ainslie would receive 10% of the value of every contract Mr Haxby was awarded – and Mr Ainslie would give Mr Haxby ‘a helping hand’ to win contracts. The two then agreed to lie about the agreement to frustrate any potential enquiry, but the lies unravelled in the hands of Commission investigators.

Mr Ainslie also cultivated a relationship with Mr Rumenos of Griffin Civil which hadn’t been awarded contracts with Housing for the six years leading up to a period between 2016 and 2019. During that time, it was awarded contracts worth more than four million dollars. Much of the work was awarded by Mr Ainslie or through his influence.

Contact the Corruption and Crime Commission

The Commission's report goes on to reveal a web of deceit, manipulation, and breaches of Mr Ainslie's duty to Housing in the course of a number of different contract tendering and contract management processes. It also details amounts of money transferred to bank accounts controlled by Mr Ainslie or to which Mr Ainslie had access totalling nearly \$200,000.

In the Commission's opinion, Mr Ainslie's actions described in its report constitute serious misconduct. It has referred the actions of Mr Ainslie, Mr Haxby and Mr Rumenos, to the WA Police Force.

Mr Ainslie resigned from his position at the Department of Communities when a disciplinary process commenced against him. He is now employed by Griffin Civil. Mr Haxby's contracts were all terminated and he later entered into an agreement to repay \$10,500.

The Commission has commended the Department of Communities for the steps taken to identify and reduce corruption in relation to housing and construction in particular, noting it has seen significant improvement in the enforcement of procedures.

As well as serving as a warning to public sector agencies to ensure their systems and processes are 'corruption resistant', this report underlines the duty and value of every public sector officer speaking up when confronted by, or suspicious of, suspected corruption.

ENDS

Read the report

[Misconduct in the Department of Communities relating to country building projects](#)

Media contacts

Marie Mills: (08) 9421 3600 or 0418 918 202

Louisa Mitchell: (08) 9421 3600 or 0434 308 208