

MEDIA RELEASE

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Devious behaviours provide timely reminder of misconduct risks

The Corruption and Crime Commission today tabled in State Parliament two separate reports with stark similarities – with lessons for public sector agencies.

In the financial year 2022/2023 the Western Australian Government procured goods and services to the value of \$1.4 billion.

The amount of money at stake makes procurement a significant misconduct risk. Parliament has responded to that risk by passing the *Procurement Act 2020*.

These two reports are further examples and follow other Commission reports on procurement misconduct.

The *Report on misconduct by a senior biomedical engineer at Sir Charles Gairdner Hospital* and the *Report on the actions of a public officer at Murdoch University in respect to maintenance contracts* both reveal abuse of authority and trust, exploitation of inadequate systems and processes, and a failure of oversight.

The first involves ‘a level of deviousness not often seen’. Mr Suresh Kumar was responsible for the maintenance of critically important medical equipment at Sir Charles Gairdner Hospital. Orders for parts made by Mr Kumar were required to be approved by supervisors – who had full trust in him.

Mr Kumar abused that trust over more than a year. Mr Kumar set up a business registered to his wife, for the sole purpose of gaining a financial benefit - and was successful in enriching himself by \$281,000. He exploited a weakness in an electronic database, by adding this business as a supplier. This enabled him to submit requests for quotes to the business. Mr Kumar responded to those requests himself, and the business was subsequently issued purchase orders, with each purchase requisition approved by supervisors. Phoney invoices for repairs not done and parts not procured would follow.

“No one ever checked the provenance of this new business, despite the fact that it was operating in a very specialised area with only a very limited number of reputable suppliers,” said Commissioner John McKechnie KC. “It was a perfect circle of deceit.”

“The devious behaviour took advantage of two significant misconduct risks – that anyone authorised can add suppliers to the database without proper checks that should apply to procurement processes; and the inadequacy of the approval process for requisitions.

“The lesson for all public officers in oversight or supervisory positions is, of course, that you are entitled to start with a presumption of trust in your fellow workers but following due diligence does not lessen the working relationship,” the Commissioner added. “Following process protects everyone including taxpayers.”

Contact the Corruption and Crime Commission

The Commission has formed an opinion of serious misconduct by Mr Kumar and recommends that an appropriate authority considers criminal prosecution.

The second report details the activities of Manager Facilities and Maintenance, Mr Dario Pacifici, who was employed to manage the facilities and maintenance services across Murdoch University's campuses. Part of that role was to engage new contractors to the university. One such vendor was BM OnDemand which he introduced and then used his influence and power to ensure a steady stream of work worth more than \$1,000,000.00.

BM OnDemand, was a company registered in the names of Mr Pacifici's wife, and friend. The Commission found Mr Pacifici was active in the set up and ongoing management of the business and not only did not declare the conflict of interest but took detailed steps to conceal his involvement so that he could continue to use his position to benefit the company – and himself.

The company signed a licensing agreement with Murdoch University, enabling them to operate from a workshop on the Murdoch campus. Later, Mr Pacifici organised a Competitive Process Waiver, clearing the way for BM OnDemand to be awarded a valuable contract without it going to market.

Having a conflict of interest is not serious misconduct. Serious misconduct occurs when a public officer corruptly takes advantage of their employment to obtain a benefit for themselves or another person. The Commission has formed an opinion of serious misconduct by Mr Pacifici.

In relation to both matters, it is noted that an opinion that serious misconduct has occurred is not, and is not to be taken as, a finding or opinion that a particular person is guilty of or has committed a criminal offence or a disciplinary offence.

ENDS

Read the reports

[Report on misconduct by a senior biomedical engineer at Sir Charles Gairdner Hospital](#)

[Report on the action of a public officer at Murdoch University in respect to maintenance contracts](#)

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