GIFTS AND BENEFITS



Officer uses position for gifts

A public officer used his position to get gifts and hospitality. What could happen next?

The story

A former Willoughby City Council development officer, Edward Karkowski, was found to have engaged in corrupt conduct by exploiting his official functions. He favoured various business owners in the Chatswood area in return for cash, gifts, free meals, and free massages and sexual services.

The Commission found that Mr Karkowski engaged in corrupt conduct on numerous occasions and in various ways.

These included failing to report to the Council that the Oriana Bath House was illegally operating as a brothel, because he was receiving free sexual services there, and advising applicants to submit false construction cost estimates in development applications, so that fees payable to the Council would be reduced, in return for free hospitality. Mr Karkowski also dishonestly submitted claims for overtime and accepted payment for those claims.

During the investigation, the Commission found that there were several factors that allowed Mr Karkowski to engage in corrupt conduct. Council and Mr Karkowski's superiors placed a great deal of trust in him; he was allowed to exercise wide discretionary powers in relation to the assessment and approval of applications with little or no effective supervision.

The Commission found that other factors included lack of information to Council staff to enable them to accurately estimate the cost of construction work, and the practice at the Council for staff to accept gifts, benefits and hospitality.

With thanks to the NSW ICAC.

Questions

- 1. List all of the ethical issues around this situation.
- 2. Did the employee have an ethical obligation to decline any gifts offered?
- 3. Did the employee have an ethical obligation to not solicit gifts or use his position to obtain gifts?
- 4. Why was it inappropriate to accept the gifts?
- 5. What other forms of misconduct could the employee be liable for?
- 6. Is it possible that this agency had a systemic lack of controls to allow this misconduct to occur?
- 7. Why is it important to understand exactly how this misconduct occurred?
- 8. In terms of controls and governance what might the public sector organisation do to prevent this occurring again?
- 9. Is there anything else the public sector organisation should consider?



The Commission can help

We are available to provide support and assistance with identifying, reporting, investigating, managing and preventing misconduct: prevention@integrity.tas.gov.au or 1300 720 289.

For more Misconduct Prevention resources go to www.integrity.tas.gov.au/resources