

Edwin Chadbourne

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BY:.....

The Secretary  
House of Representatives  
Standing Committee on Legal and Constitutional Affairs  
Parliament House  
CANBERRA  
ACT 2600

Dear Secretary

**Inquiry into crime in the community: victims, offenders and fear of crime**

I attach a Submission for consideration by the Standing Committee on Legal and Constitutional Affairs and would be happy to appear before the Committee at its discretion.

I look forward to hearing from you.

Regards



Edwin Chadbourne

**SUBMISSION TO THE STANDING COMMITTEE ON LEGAL  
AND CONSTITUTIONAL AFFAIRS**  
**Inquiry into crime in the community: victims, offenders and  
fear of crime**

**Name:** Edwin Chadbourne

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1. This Submission, prepared by me accurately sets out in summary form, the evidence which I would be prepared to give, if invited to do so, to the Standing Committee on Legal and Constitutional Affairs in connection with its "Inquiry into crime in the community: victims, offenders and fear of crime".
  2. The Submission is true to the best of my knowledge and belief.
  3. I believe the matters referred to in this Submission demonstrate the existence of entrenched systemic process corruption and mismanagement within senior echelons of the NSW Police Service and a deep-seated reluctance on the part of the Police Integrity Commission (PIC) to genuinely attempt to address complaints specifically concerned with process corruption and mismanagement.

**Career Background**

4. I have been a career Human Resource Management executive for the past thirty (30) years, during which time I have held the principal Human Resource Management executive position with Hooker Corporation (4years), Australian Guarantee Corporation (3 years), Citibank Australia (5 years), NatWest Australia Bank (3 years), NatWest Markets Asia Pacific Region (5 years, based in Hong Kong), and NSW Police Service (2.5 years from 11 September 1999 to 12 February 2002) as Executive Director Human Resource Services, reporting directly to former Commissioner Peter Ryan and being one of five senior executives who formed CET (Commissioner's Executive Team).
5. On 12 February 2002, I was removed from Executive Office in the Police Service without notice or reason.

6. On 11 June 2002 I was appointed to the position of General Manager Raine & Horne and five months later in December 2002, was promoted to the position of Group General Manager with total responsibility for the Raine & Horne organisation's national and international operations.
7. My qualifications include a Bachelor of Science (1980, Century University), Master of Business Administration (1982, Century University), and Doctor of Philosophy in Business Administration majoring in Human Resource Management (1985, Century University).
8. I am a Fellow of the Australian Human Resources Institute and was elected as its NSW President for three consecutive years (1979-1981).

#### **Evidence of Process Corruption and Mismanagement**

9. As a member of CET (Commissioner's Executive Team) for 2.5 years up to 12 February 2002, I was uniquely positioned to observe first hand, what was happening behind-the-scenes in Police Headquarters at the most senior level, during that period.
10. As a direct report to former Commissioner Peter Ryan, and having been personally selected by him twice (initially on a 12 months contract followed by a further 3 year contract to 11 December 2003), I enjoyed his confidence and support up until 10 September 2001 at which time I gave evidence as a witness in the Police Integrity Commission's "Operation Malta" public hearing, which embarrassed him.
11. If granted an opportunity to do so, I am prepared to appear before the Standing Committee on Legal and Constitutional Affairs and elaborate on the following matters and, if appropriate, table documentary evidence supporting my allegations.

#### **Abuse of power and improper conduct on the part of one of the most feared Senior Police Commanders as evidenced by "setting up" Edwin Chadbourne as a Scapegoat in the PIC "Operation Malta" proceedings**

12. On 2 April 2001, approximately five months before I appeared in the PIC witness box, the abovementioned Commander participated in a meeting with four members of the Police Legal Team who were engaged in developing a legal strategy in relation to "Operation Malta". The pivotal role he played in those discussions is indicated by his comments which included:

*Legal 1: "Ever resolved: Chadbourne with COP"*

*Commander: "No. A lot of politics with HR. Big issue is the people issue. Everyone is working against the Boss" (ie. Commissioner)*

*Legal 1: "Chadbourne one of them"*

*Commander: "Seems like Dizzy Lizzy to me. Boss you got to do something about it – can't keep complainant"*

*Legal 1: "We must go for Chadbourne. Into each life some rain must fall. Any reason we can't give Chadbourne a serve"*

*Legal 2: "Need instructions"*

*Legal 1: "All things pointing at him"*

*Commander: "What you sometimes need is a sacrificial lamb"  
"Chadbourne an innocent abroad"  
"That's where we have got to retrieve the Boss"*

(Ref. "1" Chadbourne's Statement to PIC, 8 January 2002, clauses 40, 41, 44, 51, 52, 55, 56, 57, and supporting Annexures)

13. When I appeared in the PIC witness box in September 2001, the Commander, through his Senior Counsel, vigorously set out to implement the "Chadbourne as sacrificial lamb strategy" mentioned in the preceding paragraph, by aggressively attempting to discredit my professional reputation and to prove that I was guilty of maladministration - particularly in relation to wasting public monies, condoning espionage, professional incompetence, losing objectivity as a consequence of "falling under the influence" of some people I was supposedly "Championing",

(Ref. "2" PIC transcript:  
5 September 2001, pages 3234 to 3281, 3302 to 3315.  
6 September 2001, pages 3321 to 3344, 3378 to 3403.  
7 September 2001, pages 3405 to 3455  
10 September 2001, pages 3457 to 3483)

14. That Commander is still in a very powerful and highly influential position, and to the best of my knowledge, has not been counselled about his unethical behaviour. As a consequence, he is likely to re-offend.

## **Conflict of interest and improper conduct on the part of the Police Legal Team**

15. On 3 December 2001, the Police Integrity Commission (PIC) released to me various documents which indicate that the Police Legal Team had acted unethically in relation to my involvement in "Operation Malta".

(Ref. "3" Letter dated 26 October 2001 from PIC to Head of Police Court and Legal Services

Letter dated 1 November 2001 from Head of Police Court and Legal Services to PIC

Letter dated 30 November 2001 from PIC to Head of Police Court and Legal Services

Letter from PIC dated 7 December 2001 to Head of Police Court and Legal Services

Solicitor's Accompanying file notes dated 2 April 2001, 3 April 2001 and 27 May 2001)

16. The PIC also instructed the Police Legal Team to arrange for me to have independent legal representation, the cost of which was to be borne by the Police Service. I was then introduced by the Police Legal Team to barristers from two separate legal firms, both of whom declined to represent me. In the first case, the barrister believed he would have a conflict of interest if he represented me as his firm was already representing the Police Service on related matters. In the second case, after reading my Statement, the barrister felt obliged to advise me that he was a former member of the internal Police Legal Team and then proceeded to disqualify himself from representing me on the grounds that he was not sufficiently experienced to accept a brief which had such serious implications. He offered to ascertain the availability of a suitable QC who might represent me, but he never contacted me again. Under the circumstances, I felt vulnerable and therefore took direct action to arrange my own independent legal representation at which stage the Police Legal Team reneged on its written undertaking to meet reasonable costs associated with that representation.

Ref. "3" Letter dated 12 December 2001 from Police Senior Solicitor to Chadbourne

17. On 8 January 2002, I lodged a detailed Statement with the Police Integrity Commission, providing comprehensive evidence of the unethical conduct of the Police Legal Team. Notwithstanding the fact that a substantial part of that unethical conduct occurred during the PIC "Operation Malta" hearings and is a matter of public record appearing in PIC transcripts, the PIC did not investigate my formal complaint.

(Ref. "4" Chadbourne's Statement to PIC relating to Police Legal Team, dated 8 January 2002 and supporting Annexures)

18. On 30 January 2002, through my legal representatives, I lodged a formal complaint with the Legal Services Commissioner in respect of the unethical conduct of the Police Legal Team. Although almost 12 months have passed since lodging my complaint with the Legal Services Commissioner, I am still waiting to hear what, if any, action will be taken to address my serious allegations.

(Ref. "5" Chadbourne's Submission to Legal Services Commissioner relating to Police Legal Team, dated 30 January 2002 and subsequent correspondence)

#### **Termination of former Commissioner Ryan's employment**

19. On 10 April 2002, former Commissioner Ryan met with Premier Carr. Being well aware of the political damage a fight in the Industrial Relations Court might do, Carr agreed to the termination of Ryan's employment with a payment of a year's salary. The matter was announced by Carr and Ryan at a press conference later that morning and in the following weeks controversy continued in the public arena about the appropriateness of Ryan's termination payout, particularly in light of confusing accounts about whether he engineered his own termination or was sacked from his position.

(Ref. "5" Article in Sydney Morning Herald, 15 April 2002)

20. The situation would have been made clearer if it was made known that in response to a request from Commissioner Ryan in January 2002, the Director of Industrial Relations, who reported to me, provided a paper to Ryan, entitled: "Research of successful action for a constructive dismissal"

(Ref. "6" Submission to Commissioner Ryan from Police Service's Director of Industrial Relations)

#### **Chadbourne's removal from executive office**

21. On 20 February 2002, I lodged a detailed Statement with the Police Integrity Commission, providing comprehensive details of the circumstances surrounding my removal from executive office in the NSW Police Service. In that Statement, I provided evidence supporting my allegation that I had been sacked as payback for evidence that I had given as a witness in the PIC "Operation Malta" hearing in September 2001, which embarrassed Ryan.

(Ref. "7" Chadbourne's Statement to PIC relating to his removal from executive office, dated 20 February 2002 and supporting Annexures)

22. The evidence contained in that Statement clearly indicates that during the period from September 2001 when I appeared as a witness at PIC, up until 12 February 2002 when I was sacked and removed from Police Headquarters under police escort, I was the subject of a concerted effort designed to motivate me to resign from the Police Service. At a meeting with Ryan on 20 December 2001, I told him that I was aware of what he was trying to achieve but I had no intention of resigning. It was clear to me at the time, that what he was doing to me was in many ways paralleled by what Police Minister Michael Costa was doing to him.
23. On 11 December 2001, I was summoned to a meeting with Police Minister Costa at Parliament House. Les Tree, Director General of the Police Ministry and John Whelan, Minister Costa's Chief of Staff, were also in attendance. During that meeting I voiced serious concerns about having been "set-up" as a scapegoat by the Police Legal Team and also about Ryan's scheming to force my resignation. The Minister appeared to ignore my concerns which were forcefully expressed. However, on page 311 of the book "PETER RYAN the Inside Story", published in mid 2002, Ryan refers to a meeting he had with Michael Costa on 1 February 2002. According to Ryan, it was the Minister who insisted that I had to go:

*But "Ryan feared that were he to sack Chadbourne just after he'd complained at the PIC's Malta hearing about the Police Service, it would look dangerously as though it were a payback. He should be counselled about his performance and, if it still hadn't improved, his employment should be re-examined then. "I'm not going to sack him", said Ryan bluntly. "I'm not going to have anything to do with it. If you want him to go, you get rid of him".*

(Ref. "8" Chadbourne's briefing notes provided to Police Minister Costa, dated 11 December 2001.  
Letter from Chadbourne to Costa, dated 17 December 2001  
Book: "PETER RYAN the Inside Story)

#### **PIC's private hearing into reason for Chadbourne's removal from executive office**

24. On 11 May 2002, the PIC conducted a private hearing to consider my allegations and in a letter dated 12 July 2002, advised that it had come to the view that my allegations were not supported by the evidence. My barrister raised serious concerns about the manner in

which the PIC investigation was conducted and her requests for relevant information were rejected. Having carefully considered the contents of the exchange of correspondence between my barrister and PIC on this matter, I formed the view that for reasons unknown to me, PIC was reluctant to properly investigate my complaint and in effect, had decided to "sweep the matter under the carpet".

(Ref. "9" Various letters between PIC and my Legal Representatives)

### **Mismanagement of public monies spent on a cynical approach to a "Cultural Change Program"**

25. One outcome of the Wood Royal Commission, was that the Police Service would be subjected to an annual audit over three consecutive years, to monitor progress in implementing the recommendations of the Wood Royal Commission in regard to Cultural Change, with particular focus on Appendix 31 of that Commission's final Report. The PIC was given responsibility for overseeing those QSARP Audits and in turn called for tenders from suitably qualified external Consultants to carry out the audits.
26. Hay Consulting was the successful tenderer and its services were retained, completing the first annual audit report for the 2000 year. The results of that audit indicated that little progress had been made in implementing cultural change within the Service. Furthermore, Hay Consulting recommended that the Service improve its efforts by retaining the services of another external consultancy to assist in progressing desired cultural change within the Police Service.
27. A QSARP Steering Committee was established under the Chairmanship of the then Deputy Commissioner Ken Moroney. He openly admitted to his peers on the Commissioner's Executive Team (CET) that he thought the QSARP Audits were a total waste of time and money, although he emphasised that, for political purposes, he would represent to people external to the Police Service who were connected in any way with the QSARP, that he fully supported the program.
28. Former Commissioner Ryan, was strongly opposed to the QSARP program, recounting more than once that on one occasion he had been so insulted and infuriated by the "stupid questioning he was subjected to by one of the Hay Consultant's silly little girls" that he virtually had her thrown out of his office. He also consistently stated that as far as he was concerned, 'the Wood Royal Commission was a thing of the past and it was time to move on and instead of waffling around with cultural change, he wanted the Service to focus on crime reduction".



29. The Acting Executive Director of OP&D (Operational Programs and Development) was given responsibility for driving the QSARP program within the Police Service and for reporting on progress. It was clearly understood at CET level that his duplicitous approach to "supporting" the program together with his "spin doctor reporting" was firmly endorsed and applauded by Senior Headquarters leadership.
30. Around June 2001, a special meeting of CET was convened for the purpose of agreeing the Budget for the ensuing year. The General Manager Finance, led the discussion which centred around cutting out approximately \$3 million of over budgeted expenses. He had written on a whiteboard a number of cost items which were possible targets for reduction. One such item was an amount of \$500,000 which it transpired during discussions, was allocated to external consultancy fees. The amount was to be spent on retaining external consultants to assist with implementing cultural change initiatives identified by the QSARP team. I challenged the need for that expenditure on the basis that the money would be used solely as a cynical exercise aimed at placating the QSARP Auditors. My objections were over ruled by all other members of CET, who firmly held the view that, even though the money would be wasted, the expenditure was justified on the basis that it would help in achieving a more positive Audit Report in the next year and thereby avoid further negative press coverage.
31. In the latter stages of 2001, I was required to be a member of the Selection Panel appointed to process the tender applications and recommend the appointment of an external consultancy firm to assist in implementing the Service's ill-defined Cultural Change Program.
32. Several leading Consultancy firms submitted tenders, but ultimately the successful tenderer was APP Corporation, which tendered the cheapest price. The APP team was clearly out of its depth and demonstrated little ability to effectively perform what was required. As a consequence, the Police Service achieved its cynical objective but at the cost of squandering up to \$500,000 of taxpayers money.


### **The "Whitewash" strategy for covering up problems at the top level of Police Headquarters**

33. The "That Matter" investigation arose from a series of complaints which were made in the latter part of 2000, by about six members of Ryan's Executive Support Team. The complaints ranged across a number of issues, most of which concerned the management style of their Team Leader who enjoyed a close personal relationship with Ryan, and allegedly used the power emanating from that relationship

to intimidate various members of her team. Some of the complaints contained implied criticisms of Ryan.

34. The Executive Director Management Services at the time, was tasked with conducting a fact finding investigation into the complaints. However he tendered his resignation from the Police Service at the beginning of 2001, at which stage he had completed only part of the investigation. He then approached me and said that Ryan and himself had discussed the unfinished investigation and they had decided that I was the ideal person to complete the investigation as they felt that given my corporate career background, "I was commercially astute enough to know how to wield a 12 inch wide whitewash brush". The message to me was clear and the fact that I did not heed it, no doubt contributed towards the eventual breakdown in my relationship with Ryan.
35. Soon after, I received a directive letter from Ryan, instructing me to take over the investigation. In that letter, Ryan stated that he had instructed the Head of Court and Legal Services to make available to me the services of members of his team to assist in conducting the investigation. Two detective investigators were appointed for that purpose.
36. As part of the investigative process, I conducted lengthy interviews with each of the complainants and the discussions were recorded on ERISP tapes, which were then transcribed into hard copy. Soon after, but prior to preparing my Report, I was approached by the then Deputy Commissioner Moroney who requested that I allow him to borrow the transcripts of the interviews on a confidential basis, as he had been asked by PIC to undertake discreet inquiries about some "extremely sensitive aspects of the investigation"
37. When I interviewed the Team Leader, she was accompanied by one of the most Senior Commanders in the Service who acted as her support person. He sought to intimidate me during the interview. Later that day, I was advised that after the interview had ended, the Team Leader and the Commander had a meeting with Ryan.
38. After completing the interviews with the complainants, but before interviewing the Team Leader, I was approached on several occasions by one of Ryan's favoured Executive Directors, who insisted that it would be preferable for one of his staff to conduct the interview with the Team Leader and to finalise the investigation. I rejected those approaches.
39. When I met with Ryan to present my Report, he said he did not need to see it or discuss its contents because he already knew what it was all about. He then directed me to hand the Report to his Chief of Staff.

40. Subsequently I wrote to the Commissioner's Chief of Staff and his predecessor, requesting them to advise me as to what action had been taken to address the recommendations in my Report. Their responses indicated that nothing had been done to address those recommendations.



Edwin Chadbourne

9 January 2003