

# **Senate Select Committee on Superannuation and Financial Services**

## **Main Inquiry Reference (a)**

### **Submission No. 210**

(Supplementary to Submission No. 153)

**Submittor:** Department of Police and Public  
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## DEPARTMENT of POLICE and PUBLIC SAFETY



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18 June 2001

Ms Sue Morton  
Committee Secretary  
Select Committee on Superannuation and Financial Services  
Parliament House  
CANBERRA ACT 2600

Dear Ms Morton

Thank you for your correspondence dated 31 May 2001 seeking a response to adverse comment relating to Tasmania Police appearing in evidence presented to the abovementioned Committee.

Following an inquiry into the issues raised, I am now in a position to advise that in respect to the submission made to the Senate Select Committee on 18 May 2001 by Mr David Newitt the following is a chronology of events recorded by Tasmania Police.

On 20 August 1996, Mr Brian Inches, General Manager, Municipality of Sorell, telephoned the Bellerive Police Station to inform police of comments made to him by John "the Duke of Avram" Charlton, alleging that there might be corruption within the Sorell Council.

On 22 August 1996, Detective Sergeant R Batge and Constable D Adams, Eastern District Criminal Investigation Branch, conferred with Mr Charlton and requested that he pass on any information which he possessed concerning his allegations that corruption existed within the Sorell Council.

Mr Charlton stated that he had not received any specific information relating to corruption but alleged there were inconsistencies with Council approvals and developments.

Mr Charlton told the Detectives that he had only related to Mr Inches stories of people being disgruntled with Council decisions. He did not at that time wish to make a formal complaint to police. Mr Charlton was informed at the time that these were not matters for investigation by police.

On 5 November 1996, the then Superintendent of Eastern District, Mr B J Bennett, wrote to Mr Inches and advised him that Police had spoken to Mr Charlton concerning his allegations of corruption within the Sorell Council. Mr Bennett informed Mr Inches that Mr Charlton had declined to make a statement of complaint and could provide no evidence to substantiate his allegation of corruption within the Sorell Council. The matter was then filed.

On 17 April 1997, an audio recorded interview was conducted with Mr Charlton by Inspector Gary Leonard of Tasmania Police Internal Investigations. This was at the instigation of police and followed comments printed in the December 1996/January 1997 edition of "Spec News, The voice of the Sorell Municipality" concerning alleged corruption in the Sorell Council and an allegation that the Sorell Police were corrupt.

The article, purported to have been written by the Mayor of Sorell (Carmel Torenus) disclosed that a local business man (Mr Charlton) had related to the Council's General Manager (Brian Inches) that there was corruption in the Council and that he (the business man) had documents and had seen other documents to prove it. The article also stated that he (the business man) would not pass the information to the Sorell Police because in his opinion they were corrupt.

This conversation between Mr Charlton and Mr Inches was said to have occurred at the Gordon Highlander Hotel on 16 August 1996.

During the course of the recorded interview with Inspector Leonard, Mr Charlton agreed that he had attended the meeting with Mr Inches but said that he had never made allegations of corruption about the police or about the Sorell Council. He did state that he told the General Manager there were people in the area (Sorell Municipality) who believed that there was corruption in the Sorell Council and it needed to be investigated by police. He stated he was acting as a 'middle man'. Mr Charlton also, during the interview, claimed that police had failed to properly investigate his previous allegations concerning the Sorell Council, despite providing the investigators with the names of people who could provide information in respect to the matter.

As a result of Mr Charlton's claims, the issue relating to the alleged corrupt activity of Sorell Police was referred to Internal Investigations and the allegation of alleged corruption within the Sorell Council was forwarded to the Superintendent, Eastern District, for investigation.

On 24 July 1997, the then Superintendent of Eastern District, Mr R Belbin, briefed Detective Inspector G Johnstone in his office concerning the allegations of corruption within the Sorell Council and directed that he conduct a full investigation.

The investigation into this matter took place between 24 July 1997 and 13 February 1998 with the result that no evidence was found of any systemic corruption, isolated individual corruption or criminal wrong doing by any member of Sorell Council. None of the persons spoken to and/or formally interviewed, including those named by Mr Charlton as possessing relevant information, could provide any direct evidence of

corrupt/illegal practices with the Sorell Council. These persons included the Mayor, Mrs Carmel Torenus, Councillors Graeme Gill, Michael Purden and Kerry Degrassi and the General Manager, Brian Inches.

Mr David Newitt was contacted during the course of the inquiry as he was named by Mr Charlton as being able to assist. On 28 August 1997 Detective Inspector G Johnstone interviewed Mr Newitt at his home. The interview was recorded on audio tape. Whilst Mr Newitt raised concerns with what he saw as apparent inconsistencies associated with Sorell Council decision making, particularly in the approval process for development and what he perceived to be mismanagement within the Council, he could not provide any direct evidence of corruption or corrupt activity.

At the outset of the interview, he was informed of the purpose of the investigation (investigation into alleged corruption within the Sorell Council) and was asked whether he had any information in relation to the matter. In response he stated, *"Yes I understand but I, I, I know nothing of anything about any corruption other than I've got files that indicate inconsistencies."*

He was further asked *"...as a general comment then, is there anything, direct evidence, or other information that you have which would suggest or implicate any member of Council as being involved in corruption or improper practices or illegal practices?"* he replied, *"No, I can suggest that its gotter be mismanagement..."*

Mr Newitt made the following specific allegation, directed primarily at ex Inspector Leonard and Detective Inspector G Johnstone in his submission to the Senate Select Committee.

*"If the Police had followed up these serious allegations, then this enquiry may not have been necessary. The corruption and or professional misconduct may have been nipped in the bud and investors may not have lost so much money."*

I am advised that at no stage during the inquiry, did any person make any allegation concerning misconduct, illegal or improper practices which involved any firm of solicitors / lawyers. Nor was it ever suggested that some solicitors' mortgage funds were being illegally or improperly utilised within the Sorell Council Municipality. In fact no mention was made of solicitors' mortgage funds being involved in any development during the investigation.

In respect to Mr Newitt's further statement,

*"One interview was eighty pages of transcript, the enquiry was then passed over to Inspector Jeff Johnson, who told me he would get back to see me early in the new year, but he never came."*

A review of the investigation file confirms that Detective Inspector G Johnstone returned and spoke to Mr Newitt on 17 November 1997, some seven weeks after this initial interview with him. This is clearly recorded of the investigation running sheet.

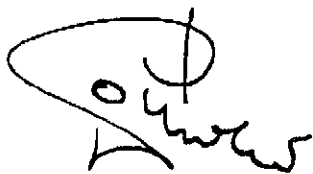
On 13 February 1998 the completed file was forwarded to my office for review. On 28 February 1998, the file was returned with a report under the hand of Acting Deputy Commissioner of Police Mr L R Prins requesting that Mr Inches be advised of the outcome of the investigation. Superintendent Belbin then by letter advised both Mr Inches and the Mayor, Mrs Torenus, of the result. The matter was then filed.

In conclusion, I can advise that as a result of the investigation into allegations of corruption within Sorell Council, which originated from John Charlton, no direct evidence came to light to substantiate any of those claims, nor was any mention made of solicitors' mortgage funds being involved in any development.

In relation to Mr David Newitt specifically, he did not at any stage during his formal interview or during conversations with either ex Inspector Leonard or Detective Inspector Johnstone make any allegation that there had been any improper or illegal conduct by any firm of solicitors involved in solicitor mortgage funds.

During the course of the inquiry undertaken to respond to you on this occasion, it has been discovered that information received from Mr Charlton on or about 19 January 1998 was forwarded to the Eastern District Criminal Investigation Branch for information. Unfortunately it cannot presently be ascertained what action, if any, was taken in relation to the information received. This information referred to the firm of solicitors McCulloch and McCulloch lending money to the property developers who were "going bad". It was alleged this action was taking place in the Sorell District and that other legal firms were also involved.

Yours sincerely



**J JOHNSTON**  
Deputy Commissioner of Police