

ICAC: Liberals pay the price as Mike Baird apologises for political rogues

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- [LIB MPs ACTED WITH INTENTION TO BREAK THE LAW](#)
- [ANALYSIS: LIBERAL MACHINE TRAPPED BY ICAC](#)
- [SINODINOS CLEARED IN \\$700K LIBERAL FUND SCAM](#)

A FORMER senior Coalition minister faces larceny charges, another has been exiled from the parliamentary Liberal Party and five more former MPs have been found by the corruption watchdog to have “acted with the intention of evading the law”.

Premier Mike Baird yesterday apologised to the community and said the tabling of the ICAC Operation Spicer report “ends a very sad chapter in the history of NSW politics” after

damning findings against the former Liberal figures over the illegal donations scandal were released.



Premier Mike Baird faces the media yesterday / Picture: Kristi Miller

Operation Spicer finally reported yesterday on the 2014 public inquiry into Liberals receiving illegal developer donations, in some cases allegedly pocketing those contributions, during a 2011 election campaign which swept them to office.

Those former MPs found to have “acted with the intention of evading the (electoral) laws” include Andrew Cornwell, Garry Edwards, [Mike Gallacher](#), Chris Hartcher, Tim Owen, Chris Spence and Craig Baumann.

Mr Baird yesterday ruled out the return of Mike Gallacher to Cabinet, or the parliamentary Liberal Party, after the ICAC labelled the former police minister not “always a truthful witness” who had been “willing to evade the election funding laws”. Mr Baird said Mr Gallacher had “paid a heavy price”, and he would not push him to resign from parliament altogether.

ICAC found Mr Gallacher’s former close mate, former senior minister Chris Hartcher, should be referred to the DPP for consideration for prosecution for an “offence of larceny” — which carries a maximum penalty of two years jail.



Premier Mike Baird ruled out former Police Minister [Mike Gallacher](#) returning to Cabinet or the Parliamentary Liberal Party. Picture: Attila Szilvasi

JOE TRIPODI WAS A ‘LABOR RAT’ IN THE RANKS

GALLACHER: LIB IN EXILE FURIOUS WITH BAIRD

This was in connection with \$4000 he allegedly received after the 2011 election, while a minister.

Mr Hartcher said yesterday: “ICAC has with great reluctance been forced to accept my conduct was not corrupt. The most it can salvage from a massive \$20 million inquiry is about three cheques that were never given to me. They sought to ignore the evidence I was in Canberra when the cheques were paid in Sydney.”

The report also found former Charlestown MP Andrew Cornwell and wife Samantha Brookes should be referred to the DPP for possible charges for giving false or misleading evidence.

Mr Cornwell was found to have accepted \$10,000 cash in an envelope from developer Jeff McCloy and \$10,120 from another developer Hilton Grugeon, allegedly for a painting worth far less than that. He used the money to pay his tax bill.

As The Daily Telegraph revealed yesterday, ICAC was restricted from making corrupt conduct findings over electoral law breaches alone by the Baird government’s new ICAC legislation, introduced to clarify the commission’s powers after it lost its High Court case against prosecutor Margaret Cunneen.

The report found just one person corrupt in the wake of this — [former Labor minister Joe Tripodi](#).

KEY FINDINGS:MPs

CHRIS HARTCHER

Former Liberal energy minister

ICAC FOUND He established Eightbyfive, to "channel" political donations, for the benefit of the NSW Liberal Party, himself, and former Central Coast MPs Darren Webber, and Chris Spence. ICAC recommends charges on the offence of larceny over three bank cheques totalling \$4000 that were made out to the NSW Liberal Party. Hartcher resigned from the party in 2013 after being linked to the ICAC inquiry to sit as an independent. He retired at the 2015 state election



CHRIS SPENCE

Former Liberal, The Entrance MP

ICAC FOUND He received illegal donations from developers for the 2011 campaign.



ANDREW CORNWELL

Former Liberal, Charlestown MP

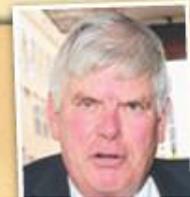
ICAC FOUND He received \$10,000 in cash in a prohibited donation from Newcastle developer Jeff McCloy, and another \$10,120 from another developer Hilton Grugeon through a painting sale. Recommended for two offences of giving false evidence to ICAC.



CRAIG BAUMANN

Former Liberal Port Stephens MP

ICAC FOUND He failed to disclose campaign donations in 2007, and in 2011 donated to himself - ICAC said that his house building business means he is an illegal donor.



KEY FINDINGS:MPs

GARRY EDWARDS

Former Liberal, Swansea MP

ICAC FOUND He received an illegal donation from a Newcastle developer.



SAMANTHA BROOKES

Wife of former Liberal, MP Andrew Cornwell

ICAC FOUND Recommended for two offences of giving false or misleading evidence to ICAC over the sale of a painting to a Newcastle developer.



DARREN WEBBER

Former Liberal, Wyong MP

ICAC FOUND He received illegal donations from developers for the 2011 campaign.



TIM OWEN

Former Liberal, Newcastle MP

ICAC FOUND He accepted a total of \$90,000 in donations and services from prohibited donors ahead of the 2011 election.



MICHAEL GALLACHER

Former Liberal, police minister

ICAC FOUND He acted "with the intention of evading" electoral funding laws over donations from Nathan Tinkler's development company Buildev. ICAC said it "does not consider Mr Gallacher was always a truthful witness".



The report also found former Port Stephens MP Craig Baumann failed to disclose almost \$80,000 in donations from Mr Grugeon and Mr McCloy before the ban on developer donations and "entered into an arrangement" with both developers to "disguise" the donations from the Election Funding Authority by paying them through his own company.

It also found Mr Baumann avoided disclosing his company paid \$100,000 into his own campaign by falsely saying his accountant made the donation.



“Engaged in serious corrupt conduct” ... Former NSW Ports Minister [Joe Tripodi](#)



Recommended referral to the DPP for possible charge ... Ex-MP Andrew Cornwell and wife Samantha Brookes

Former Londonderry MP Bart Bassett was found to have solicited an illegal donation of \$18,000 from Nathan Tinkler’s development company Buildev ahead of the 2011 state election, which was sent through the Free Enterprise Foundation, an organisation ICAC heard was used to funnel illegal developer donations to the state campaign.

Former Newcastle MP Tim Owen was also found to have accepted three \$10,000 cash donations from local developer Jeff McCloy.



Cartoonist Warren Brown's view.



Recommended charge of larceny be considered ... former MP Chris Hartcher.



Named ... Craig Baumann



Named ... Chris Spence.

KEY FINDINGS: NSW LIBERAL PARTY

SIMON McINNES

NSW Liberal Party

ICAC FOUND

He "knowingly used the Free Enterprise Foundation" to "channel" illegal political donations, "so that the identity of the true donors was disguised".



PAUL NICOLAOU

Former chief NSW Liberal, Party fundraiser

ICAC FOUND

He "knowingly used the Free Enterprise Foundation" to "channel" illegal political donations, "so that the identity of the true donors was disguised".



ANTHONY BANDLE

Free Enterprise Foundation trustee

ICAC FOUND

He "knowingly used the Free Enterprise Foundation" to "channel" illegal political donations, "so that the identity of the true donors was disguised".



ERIC ROOZENDAAL

Former Labor minister

ICAC FOUND

He supported Nathan Tinkler's proposal for a coal loader in Newcastle, but ICAC is "not satisfied on the available evidence that he was motivated by any improper purpose". ICAC said Mr Roozendaal leaked a Treasury report to Mr Tripodi, who then passed it on to Buildev.



NATHAN TINKLER

Owner of Buildev

The development company was making a bid to build a coal loader in Newcastle, in competition with Labor MP Jodi McKay's push for a container terminal.

ICAC FOUND

He tried to give Ms McKay an illegal donation, and his company donated \$50,000 to a campaign to unseat Ms McKay.



JOE TRIPODI

Former Labor minister

ICAC FOUND

He "engaged in serious corrupt conduct" by "improperly" giving Nathan Tinkler's development company Buildev a copy of a confidential NSW Treasury report, "in the hope he could secure future benefit from Buildev". Also found to have "played a central role" in a campaign to oust Labor MP Jodi McKay from Parliament in 2011. ICAC recommends common law charge of misconduct in public office.





ICAC failed to make a corruption finding against businessman Nathan Tinkler



No adverse finding ... Eric Roozendaal



Cash donation ... Ex-MP Tim Owen

ICAC also found a further \$60,000 was donated in services to Mr Owen's campaign, including staff costs and advertising.

Mr Baumann said he was relieved he could move on with his life but said ICAC had failed to explain why he should have been dumped from parliament: "I stuffed up the funding form — but it was a legal donation."

Also recommended for referral to the DPP over possible charges for giving false or misleading evidence were developers Tim Gunasinghe and Bill Saddington and former Hartcher staffer Tim Koelma.

MIKE BAIRD'S STATEMENT TO THE MEDIA



Today's report from ICAC ends a very sad chapter in the history of NSW politics.

I think, importantly, what we saw in the revelations and findings that have been made in these reports, collectively, they have undermined the public's trust in the institution of government.

I am sorry that that has happened.

I'm sorry on behalf of my members of parliament that have done the wrong thing.

They expect better, from members of parliament, they expect better from government and I can assure you I'm determined that we will do exactly that.

Ultimately, what we have seen is a number of recommendations, a number of findings that have come forward.

All of those will show actions that should never ever have happened.

I think when we look at it in many respects, the size and the number, there is a deep dismay, there is a deep anger that comes, but at the same time the findings have been made and it's time to move forward, time to put a line in the sand on this sorry chapter and do everything we possibly can to restore the trust back into government that has clearly been lost.

As part of this, the entire institution of parliament has been swayed by these allegations, by what has taken place, but we continue to take actions to ensure they won't happen again.

A number of things we've done in terms of campaign finance, donation, there is more to do in that space but I can assure you that this government will do everything we can to ensure there is no corruption.

We have a zero-tolerance level to corruption.

<http://www.dailytelegraph.com.au/news/nsw/icac-liberals-pay-the-price-as-mike-baird-apologises-for-political-rogues/news-story/725a657d0e3150cad901e9b0f1acf7c5>