

WCC credit card scandal: why the whole thing reeks



Warrnambool City Council Mayor Tony Herbert. Image: WCC.

Carol Altmann – The Terrier

Here's something I have been wanting to tell you for a while.

Warrnambool Mayor Tony Herbert was alerted to the big spending by former council tourism manager David McMahon months before he says he was – not in November, but August last year.

How do I know? Because I told him. And he did nothing.

Here's how things unfolded:

This time almost a year ago – on 22 August 2018 – I asked to meet with Cr Herbert to talk about two very serious things.

The first was an alleged spend-up on a lunch by Mr McMahon

using his corporate credit card, and the second was allegations of bullying behaviour by this same person.

The reason I remember this meeting so clearly is that Cr Herbert confirmed he had heard “something about” the big spend up and that it “had been repaid, or was going to be repaid”.

This, to a journalist, is a chunk of gold.

I realised I was on to an important story and so my digging began and it would last almost a year.

Why am I raising this now?

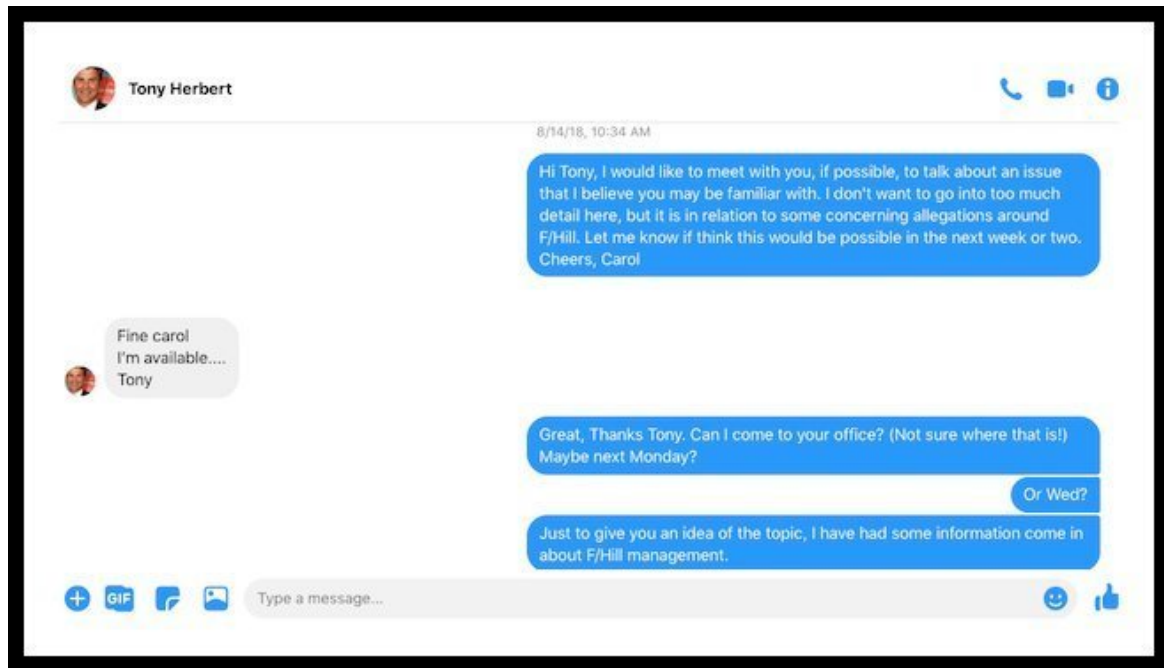
Because the now Mayor Herbert recently made a formal, public statement that he first heard [about the credit card mis-use in November](#) as part of mayoral briefing with former CEO Bruce Anson.

The briefing, he said, followed Mr McMahon’s unauthorised spending being picked up by the council in September.

I was somewhat stunned by this version of events and have been waiting to see if Cr Herbert moved to correct the record, maybe even at last Monday’s council meeting, but that hasn’t happened.

Instead, Cr Herbert says he has no recollection of this part of our conversation.

(By the way, I will cover the bullying allegations in a later story, because that deserves an entire piece on its own.)



My setting up a meeting with Cr Herbert last August to talk about allegations around Flagstaff Hill management.

I now consider the 22 August meeting a critical part of the puzzle as to who knew what, when, and most importantly, what was done about it.

Cr Herbert's version of events is that he called the meeting with me, not the other way around, so we could talk about my writing "more positive stories". (You can read his response in full at the end of this piece).

The crux of the issue is that last August I raised a serious concern about Mr McMahon's spending and Cr Herbert – it appears – did nothing about it.

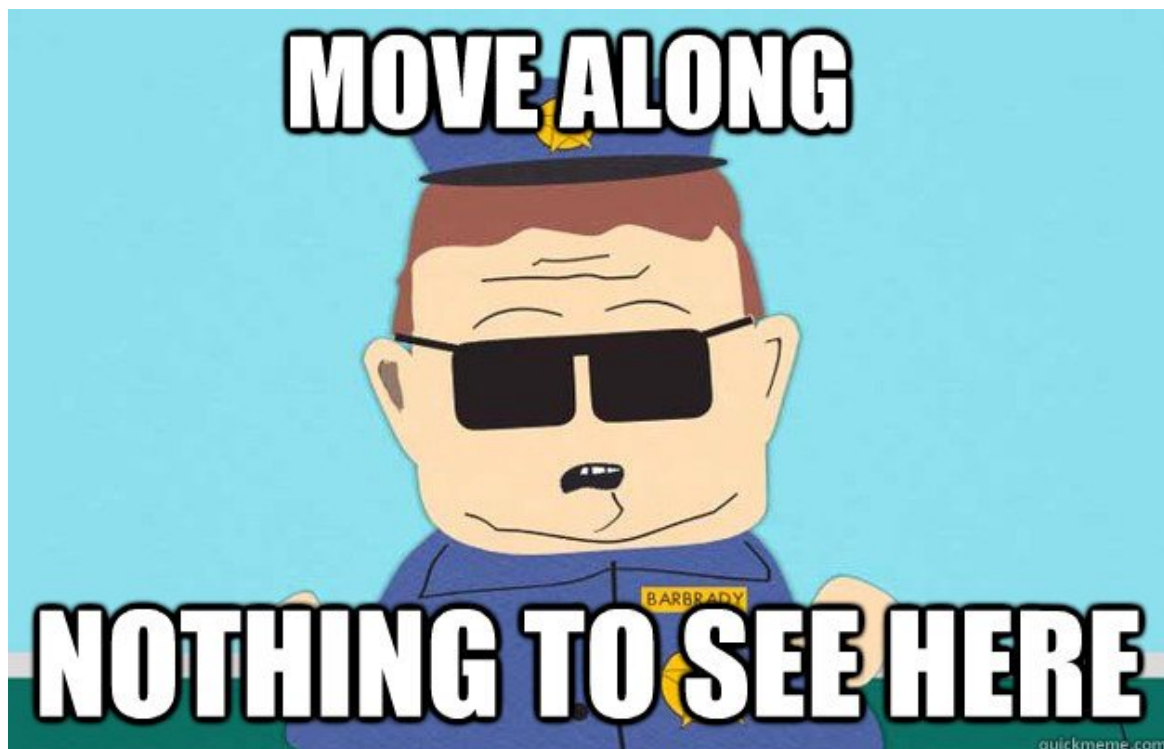
He didn't raise it with the CEO. He didn't alert other councillors or the council's Audit and Risk Committee.

For whatever reason, Cr Herbert didn't consider this big, red alarm bell worth following up.

Mr McMahon's unauthorised spending was apparently uncovered internally by the council a few weeks later, just by sheer chance.

This whole thing reeks.

And it reeks even more when you consider that once Cr Herbert was told in November – officially – about the credit card misuse, he was dead against my investigating it further.



Readers may remember Cr Herbert's long Facebook post on Valentine's Day, February 14, berating me for wasting council's time and resources:

"All you seem to want to do is tear people down, with unresearched accusations," he raged.

No, Cr Herbert, I was doing what you were supposed to be doing as an elected official of the people of Warrnambool.

A fortnight ago I notified the other six councillors of my August conversation with Cr Herbert.

There has been not one word in response. Nobody seems to care

that Cr Herbert's public statement is wrong.

A few weeks ago I dropped the f-bomb here: fraud.

Tonight I am going to use the c word: cover up.

Because from go to woah, this whole credit card mess reeks of a cover up.

It is now up to the powers-that-be to decide what happens next, because I have done all that I can to open up this particular box of bullshite around Mr McMahon's credit card use.

Today I submitted a report to the Warrnambool Police. I have already submitted a report to the anti-corruption body, IBAC.

Who knows where those two reports will go?

But the wider credit card scandal doesn't finish here, because I believe there is more to be exposed, beyond Mr McMahon, even though – I have to stress – the majority of council staff work hard at saving ratepayers' money.

What needs to be exposed is the excessive or unjustifiable spending that was signed off by those in charge.

The new CEO Peter Schneider says he is looking at this. The Terrier is too.

It will be a slow burn, but it's the only way to well and truly clean out the trough.

Mayor Herbert's response to my questions about our 22 August 2018 meeting:

Dear Carol,

Thanks for your email.

I remember the meeting too, which I arranged.

I had hoped during our meeting to plant the seed/notion, as it were, that "positive leaders can create a positive community and positive communities can accomplish anything". I was hoping to encourage you to be that leader. That was my single aim of the meeting.

I recall suggesting that people in Warrnambool would prefer more positive stories and those of a community-building nature. I discussed the relatively negative prior decade on Council and that I was now trying to be part of a team building a more positive council.

We chatted about what was good, what was coming up with some major projects – since announced in the Reid Oval and the library/learning hub at TAFE.

As we talked it became clear you were not interested in considering my feedback.

As the meeting concluded, we laughed and you said that the type of writing I was referring to was best left to The Standard and others and that you had a niche market writing in your particular style and to a particular audience.

Then you left.

On the matter of the council officer, I don't recall this being part of our discussions. At that time I would not have had any information about money that had been paid or was to be repaid. Even though I attended the VTIC seminar, I did not know any information on officer spending, councillor spending or spending by others. I believe that the council credit card statements for August would have come through in September.

You and I met on August 22.

For your further information, I have checked with the Finance

Department today: Councillors/Mayors have never had credit cards at WCC.

I was unaware of the said officer either having a credit card or not having a credit card at the VTIC seminar. As Councillors, we have not been presented with a list of all credit cards in the organisation.

I trust this answers your questions and I look forward to you moving onto more positive stories for our community.

Regards,

Tony Herbert

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