



WCC credit card: if it's fraud, what are we doing about it?

Description



Any investigation into credit card misuse at Warrnambool City Council must include all 81 cards in use among a full-time equivalent staff of 390 people. Image: Commbank.

Carol Altmann – The Terrier

I very rarely do this in writing, but it's time to drop the f-bomb.

Fraud.

It is not a word to be used lightly, but there is no doubt it is circling over [the credit card scandal](#) engulfing the Warrnambool City Council.

This is how the Victoria Police [define](#) fraud: “any deceitful or intentionally dishonest conduct, involving acts or omissions or the making of false statements, orally or in writing, with the objective of obtaining money or other benefit from a person/organisation for him/herself or another”.

Hmm, sounds like we might have a match.

The public response to this scandal is clear: ratepayers don't want another review that goes nowhere, they want to know if there was fraud and, if so, what is being done about it?

In other words, it's time to bring in the big guns.

This saga goes well beyond tourism chief David McMahon resigning and moving on, despite the council chiefs working hard to try and contain the fallout.

The CEO and councillors have known about this issue for months, but are now apparently gagged from speaking for legal reasons, which is no doubt a huge relief to those councillors who have not said a word.

I get nervous about speaking up too, but when it comes to backing the public, I would rather drown in a sea of truth than cling to a system designed to keep ratepayers in the dark.

We are still being kept in the dark, because none of what we have been told so far makes any sense.

Things got off to a bad start when CEO Peter Schneider, in telling council staff that Mr McMahon had quit, [praised Mr McMahon's many achievements](#) and wished him well, as you do.

He then explained that the credit card repayments Mr McMahon and former CEO Bruce Anson nudded out over a table last November were work related.

Work related?

Why on earth would Mr McMahon be asked to repay more than \$4000 from his own pocket – and possibly up to to \$6000 according to my sources – if it was all work related?

And why would Mr McMahon agree?

I don't know of anyone who would willingly hand over more than \$4000 to their boss for work-related expenses.

And why, if everything was just a huge misunderstanding, did Mr McMahon give up his \$100,000-plus a year job?

room hire

INCLUDES USE OF THE VENUE, ALL EVENT SET-UP REQUIREMENTS, USE OF IN-HOUSE AUDIO VISUAL REEQUIPMENT, TABLE CLOTHS, NAPKINS AND CUTLERY.

FULL DAY EVENTS/WORKSHOPS - \$300.00

HALF DAY EVENTS/WORKSHOPS - \$200.00 | Conference room 1 or 2 evening event - \$200.00

COMBINED CONFERENCE ROOM EVENING EVENTS - \$300.00

WEDDING RECEPTION

1 - Conference 1 & 2 with private bar - \$600.00

The Lady Bay Resort room hire prices show conference rooms costs between \$200 and \$300 each, not the more than \$700 claimed on a receipt.

One of [those expenses repaid](#) was \$736.50 for a “room hire” at the Lady Bay Resort just last September for a “conference” that the council, so far, can’t explain.

Did Mr McMahon accidentally hire a conference room at the Lady Bay? I had a look (see above) and unless you are booking a wedding, the Lady Bay Resort doesn’t have room hire that costs \$736.50. The most expensive is \$300.

It appears Mr McMahon also inadvertently spent [several hundred dollars on drinks at the Cape Schanck resort](#) and more on dinner [at the Pickled Pig and also at the Warrnambool Hotel](#), and mistakenly bought a gift voucher for a full car detail, and gift vouchers for massages at the Logan’s Beach spa resort.

Mr Schneider now says all of this was “work related”, but at the same time, Mr McMahon repaid the cost and has since left his job.

Nothing makes sense and it never does when you’re only getting half the story.

Mayor Tony Herbert’s contribution so far is to tell the paper he is “very disappointed” and he could “understand” ratepayers’ “views”.

Views! Ratepayers are bloody furious, and rightly so.

Because Cr Herbert, who promised to cut costs wherever he could, was *there*, along with Cr Owen, [at the Cape Schanck conference](#) when Mr McMahon shouted hundreds of dollars worth of drinks at the bar.

And Cr Herbert and Cr Owen were both *there* when Mr McMahon paid for every single [VEAC breakfast and brunch](#).

Cr Herbert, you need to be so, so much more than “disappointed”.

age	281.00
Food	229.00
Bev	16.00
Bev	43.00
Bev	129.60
e Lunch Food	41.90
e Lunch Beverage	36.00
e Lunch Beverage	78.00
e Dinner Beverage	333.00
e Dinner Beverage	9.00
e Dinner Beverage	33.00
ck in	
age	281.00
e Dinner Beverage	8.00
e Dinner Beverage	325.00
e Dinner Beverage	108.00
e Dinner Beverage	9.00
e Dinner Beverage	128.00
e Dinner Beverage	107.00

Cape Schanck, tourism
conference, July 30 2018

The drinks bill from the Cape Schanck conference last July that started the whole credit card investigation. (My words added in red).

And then we have the ratepayers' money that *hasn't* been repaid, but should have been.

There are **at least seven** occasions [where Mr McMahon claimed food bills for VEAC meetings that were not official VEAC meetings](#), including the \$172.50 "smoking gun" dinner at Bojangles on 31 May last year.

City Growth Manager Andrew Paton was Mr McMahon's boss and a member of VEAC.

Mr Paton was also, ultimately, responsible for authorising Mr McMahon's credit card spending.

Did Mr Paton not notice the bills for at least seven VEAC meetings that were not actually VEAC meetings? And if not, why not?

And to really hammer home the point, Mr McMahon – at Bojangles on 31 May last year – [knowingly used ratepayers' money to pay \\$172.50 for food and drinks](#) that had nothing to do with council business.

And he lied on the council records. And he organised for a receipt to replace the original.

F-word anyone?

We paid for all this.

This is why when it comes to public money, [there are mandatory reporting laws](#) and the CEO has to

notify at [least the anti-corruption bureau](#) (IBAC) of potential wrongdoing.

I would have thought a report to the police would also be mandatory.

Mr Schneider says the council is “fully aware of its reporting obligations”, so I would imagine the council *has* reported this issue to IBAC and perhaps the police.

We can only hope so, and that a full, independent investigation follows into Mr McMahon’s spending and the spending on *all* 81 of the council’s corporate credit cards.

This whole credit card scandal happened because of, at the very least, a lack of scrutiny and transparency.

How far it goes, how deep it goes, and who else is caught in the net remains to be seen and – again – will only be settled by a full and frank investigation.

As the saying goes, those with nothing to hide have nothing to fear.

Having been ripped off for months before anybody noticed, WCC ratepayers deserve nothing less.

If you would like to support The Terrier, please consider throwing something in the tip jar.

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Author

carol