

## Investigation into corrupt conduct associated with the regulation of brothels in Parramatta

August 2007

### ICAC FINDINGS

- The ICAC has made findings of corrupt conduct against Wade Fryar, a former Team Leader of Compliance Services at Parramatta City Council, and the following brothel operators and sex workers: Min Lu, Janaporn Srijan, Somsri Innes, Jin Xia Kuang, "Tina" (name suppressed from publication by order of the Commissioner), Youxia Carle, Li Ping Song, Qing Qiu Shan and Cui Mian Xu.
- Mr Yixin Huang was also found to have engaged in corrupt conduct for giving Mr Fryar \$1,000 during a controlled ICAC operation as an inducement to allow Mr Huang to continue using premises in an unauthorised manner.
- The ICAC is of the opinion that the consideration should be given to obtaining the advice of the Director of Public Prosecutions (DPP) with respect to prosecuting Mr Fryar for offences of corruptly receiving benefits under section 249B(1) of the *Crimes Act 1900* (NSW) and the giving of false or misleading evidence under section 87 of the *ICAC Act*.
- It also recommends that consideration be given to obtaining the DPP's advice with respect to prosecuting all the other named individuals under section 249B(2) of the *Crimes Act 1900* (NSW) for offences of corruptly giving a benefit, and also to prosecuting Youxia Carle for an offence under section 80(c) of the *ICAC Act* for wilfully making a false statement to an officer of the Commission.

### ICAC RECOMMENDATIONS

The ICAC has made altogether **13** corruption prevention recommendations. Ten of these are made to Parramatta City Council and focus on introducing system modifications, and monitoring and compliance mechanisms designed to reduce further opportunities for similar corrupt conduct in future. They include:

- That Council implements a system of active staff and performance management in the compliance area
- That Council develops a rigorous review and audit system for the compliance function and that a high-level manager oversees that process.

The remaining three recommendations are made to the Minister for Planning and the Attorney General and include:

- That the Minister for Planning and the Attorney General commission a review of the corruption risks attached to the regulation of brothels by local councils, and develop an appropriate strategy to deal with those risks.
- That the Minister for Planning and the Attorney General give consideration to adopting a system to prevent unsuitable persons operating brothels.

### BACKGROUND

- The ICAC investigation arose from information received in October 2006, alleging that Mr Fryar had corruptly solicited and received cash payments and sexual services from brothel owners and prostitutes in return for not taking action on behalf of the Council to prevent unauthorised use of premises for prostitution.
- The Commission found that from approximately 2003 to February 2007, Mr Fryar received free sexual services from at least five prostitutes and up to \$40,000 by way of corrupt payments from brothel owners.
- The ICAC's investigation included lawfully executing search warrants, lawfully using listening devices and intercepting telecommunications, obtaining and analysing relevant council files, and undertaking physical surveillance of suspected persons. The Commission conducted compulsory examinations and in May 2007 held a public inquiry where Commissioner Cripps presided and five persons gave evidence.

**Media Contact: ICAC Media Manager Nicole Thomas 02 8281 5799 / 0417 467 801**