

# Woolworths had its own misconduct investigation

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Giant retailer is right up there.

WOOLWORTHS chief executive Michael Luscombe has revealed rival Coles Group is not alone in having to deal with issues of staff misconduct, acknowledging that his own company had to call in police to investigate allegations of criminal offences.

Asked about a particular incident of serious fraud in a Woolworth's division in recent years — that has remained secret until now — Mr Luscombe said he recalled that a transport company was involved in the theft of product.

"People involved were charged by police," he said.

But Mr Luscombe said he was unaware of any current issues in Woolworth's own meat department, and that the supermarket did not buy meat the same way as Coles did.

In light of Coles' ongoing investigation into its troubled meat department following the sacking of a senior executive late last year, Mr Luscombe told *The Age* an issue for organisations employing large workforces was that sometimes people were tempted "to do the wrong thing".

Coles, which is investigating its meat department for possible conflicts of interest and allegations of kickbacks, has exclusive, long-term contracts with key suppliers. The probe stems from the sacking of supermarket merchandising boss Peter Scott, who was revealed to have acquired a penthouse in Sandringham from the chairman of a key meat supplier, the Tasman Group.

Mr Luscombe confirmed Woolworths would continue its relationship with Tasman, which supplies sausages for Tasmanian supermarkets, despite its link to the Coles' scandal.

<http://www.theage.com.au/news/business/woolworths-had-its-own-misconduct-investigation/2007/01/31/1169919403799.html>