

Failure to investigate white-collar crime. 17.01.2019

In 2011 the NSW Supreme Court found Trio Capital Limited was a fraudulent scheme set up to rob Australian superannuation. Nearly AUD\$200m disappeared. The Australian Prudential Regulatory Authority (APRA) agreed Trio was a fraud but the Australian Securities and Investments Commission (ASIC), claimed, *“little, if any” credible evidence that the “purported” investments were actually made, or if they were, that they have any realisable value. Most of the assets invested were subsequently lost.*¹ No evidence was provided to support ASIC's statement.

Australia's policing regulator has a *'searchable register of persons who have either been disqualified through a court order or by undertaking from being directors of companies or members of limited liability partnerships'* yet ASIC's registers do not name the very people who are named in NSW Supreme Court documents as being part of the Trio fraudulent scheme. Some of the names behind Trio are the same people who are linked to failed companies and the trail of human destruction around the world. But no one has drawn the connections between the financial frauds or has anyone recognised the collaboration between common criminals.

White-collar criminals skilfully operate below the financial regulator's radar and remain inapprehensible. Some of the overseas people who operated Trio were able to disappear into the background after nearly \$200m disappeared without ASIC asking a single question. A search for their names on ASIC's *'Public warning notices'* returns nothing.

ASIC does publish the links to *'Overseas regulators public warnings and alerts'* that in turn provide an alert/warning list of unlicensed companies, information on Securities Exchange Commission (SEC) enforcement actions, including litigation releases, administrative proceedings, trading suspensions, stop orders and accounting and auditing enforcement releases. Some countries list a *'Latest Disciplined Persons'* and *'Investor Alerts'*, including recent and searchable historical details for entities and individuals. Victims of Financial Fraud (VOFF) found much of what it discovered about the Trio overseas operators from international sources.

ASIC's failure to properly investigate the Trio fraud reflects what Anthony Stansfeld, Thames Valley Police and Crime Commissioner explained in 2018 to the International Tribunal for Natural Justice about why his department in 2013 investigated Lloyds Bank of fraud when other police forces including the Serious Fraud Office had turned it down.² Mr Stansfeld said most police forces do not have the money or the capacity or the capability to take on fraud cases. VOFF had regarded the SFO as a model force against money laundering and financial fraud.

In 2018 the banking royal commission found that ASIC is reluctant to act against misconduct in banking and financial services industry. But ASIC never acted against the Trio Capital white-collar criminals. It's not only about lack of money, capacity or capability to investigate fraud it is also a willingness to protect consumers. ASIC's war chest was established precisely for this type of Trio fraud but ASIC simply abandon the Trio victims.

John Telford Secretary
Victims of Financial Fraud (VOFF).
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¹ <https://asic.gov.au/about-asic/media-centre/key-matters/trio-and-astarra> Last updated: 28/05/2015.

² Police & Crime Commissioner Anthony Stansfeld Published December 2018

https://www.youtube.com/watch?v=XRS-pum5ovA&fbclid=IwAR1WaGEO_BxigXc1WDTqHz8tVaE-9Us97Khc9T_rJZXmvtQzJgzoA2C14