

**Press Release**  
**Victims of Financial Fraud (VOFF Inc)**  
**May 21<sup>st</sup> 2017**

**Double standards in the way financial frauds are investigated.**

The prompt and widespread investigation by the Australian Federal Police (AFP) into the alleged \$165m tax fraud demonstrates that the government does not tolerate fraud against the commonwealth. However, concerning the Trio Capital Limited (Trio) scheme that defrauded ordinary citizens, VOFF say they saw no proper investigation, thus illustrating a double standard with investigating fraud against the commonwealth versus fraud against ordinary citizens.

**In respect to the alleged \$165m tax fraud against the commonwealth:**

The Prime Minister, Malcolm Turnbull and Opposition Leader Bill Shorten expressed their concern over the alleged \$165m tax fraud.

Mr Turnbull said,

*"People who break our laws - ... to defraud the Commonwealth and the tax system, ... - our police, our agencies, will catch them. Catch them, prosecute them and bring the full weight of the law down to bear on them".<sup>1</sup>*

Mr Shorten said,

*"...if there is any chance that the relentless hunt against people who use tax havens, the multinationals, the individuals in Australia, the Panama Papers, if the tax integrity, if the investigations have been compromised, well this is shocking incompetence."<sup>2</sup>*

**In respect to the \$194.5m Trio fraud against ordinary citizens:**

ASIC controlled the Trio investigation and relied on the lies from the man jailed for dishonesty over his part in the fraud. The only involvement by the AFP in Trio was an initial raid to an office to confiscate computers. Other than that, all investigations into the Trio fraud were controlled and managed by ASIC. ASIC's interactions with Trio can be found in a document called Appendix 4 that ASIC submitted as a "confidential" document to the Parliamentary Joint Committee Inquiry into the collapse of Trio Capital Limited.

VOFF have tried to access Appendix 4 under the Freedom of Information Act but the document remains exempt because ASIC have refused access. The release of Appendix 4 may help show the market what ASIC do or don't do to keep Australian financial investments, including superannuation, safe.

---

<sup>1</sup> Brad Norington & Paul Maley The Australian ATO chaos as deputy charged May 19 2017 page 1.

<sup>2</sup> Joanna Mather Labor seeks assurances on tax probes May 19 2017

<http://www.afr.com/business/legal/labor-seeks-assurances-on-tax-probes-20170519-gw8ra2>

The Trio fraud escaped a proper investigation as ASIC failed to carry out background checks of the Trio operatives or the companies they owned or operated; failed to govern Trio's breaches of the Corporations Act; failed to claw-back the proceeds of crime; and, failed to question some of the Trio operatives living overseas. ASIC's incompetence in the way it missed warning signs of the people operating Trio can be traced back to the same people connected to another massive tax fraud against the commonwealth 15 years ago, concerning the case ***Commonwealth Director of Public Prosecutions (CDPP) v. Steven Irvine Hart***.

CDPP v. Hart was part of a tax minimization investigation that in 2002 took ASIC, the AFP and the Australian Tax Office (ATO) to Hong Kong to secure 100,000 documents. The office in Hong Kong called Zetland provided documents that enabled the court to charge Hart with nine offences of defrauding the commonwealth.<sup>3</sup> & <sup>4</sup>

In 2002 ASIC failed to recognise that the Zetland office address and the names of its company owners and directors were already on ASIC's company register database. The Zetland office address and same people are connected with the business that registered a seeding company with ASIC in 2001. That same seeding company went on to purchase the Tolhurst Fund in November 2003. Tolhurst became Trio and the Trio fraud was uncovered in 2009.

The CDPP v. Hart and now the alleged \$165m tax fraud demonstrate that fraud against the commonwealth is investigated thoroughly. In the alleged \$165m tax fraud, the AFP clawed back millions in cash, residential properties, expensive cars, motorbikes, boats, jewellery and aircraft under the proceeds of crime Act. In comparison the disappearance of \$194.5m from the Trio Capital Limited scheme of ordinary citizens savings saw not a single dollar recovered.

In respect to Trio, ASIC covered up its failures to govern, investigate or follow the money trail. ASIC suggest \$194.5m disappeared due to product failure and poor financial advice. The crime was ignored. Australian citizens deserve the same accurate and unbiased investigations as seen with the AFP's investigations into tax fraud. If the AFP can respond to an alleged \$165 fraud against the commonwealth, they should have equally investigated the \$194.5m fraud against ordinary citizens and the investigation kept away from ASIC's incompetence.

*John Telford*  
*Secretary VOFF*  
*Email: johnt@1earth.net*

---

<sup>3</sup> Commonwealth Director of Public Prosecutions v Hart [2010] QDC 457 (30 November 2010)

<sup>4</sup> CDPP v Hart & Ors; Yak 3 Investments P/L as t/tee for Yak 3 Discretionary Trust & Ors v Commonwealth of Australia [2013] QDC 60 (2 April 2013)