

Unique fraud in the Australian financial system
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The Trio Capital Limited (Trio) scheme brought a unique fraud to Australian shores, a threat to the confidence of the Australian financial system of the likes that has never before occurred. The 'fraud' was successful by relying on deception. First, the Trio directors provided the Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulatory Authority (APRA) with all the required compliances. Once Trio and its entities had ASIC and APRA in place, consumers had confidence knowing the Trio funds were regulated, licensed and governed by both regulators. Nobody in Australia, other than the people that devised the fraudulent scheme, could have known where the investments ended up, the entire Australian financial system was deceived. Both regulators, the NAB & ANZ banks, the auditors, AUSTRAC and the research houses all failed to detect that the structure of Trio was fundamentally set up to defraud Australians of their superannuation. The entire financial system failed, an indication of a systemic failure.

Justice Garling in the NSW Supreme Court in 2011 noted, that the Trio scheme was '*designed to divert Australian investors' money from superannuation and managed investment funds into overseas hedge funds contrary to the interest of the investors in return for significant undisclosed payments*'. The principal operators of the Trio scheme exploited weaknesses in the Australian financial system and according to ASIC, without breaking any Australian laws. About two hundred million dollars of ordinary citizens savings was siphoned from the Australian financial system.

ASIC are prevented from releasing information about Trio due to National Security issues. The Parliamentary Joint Committee assigned to investigate the fraud did not have access to vital information and without information the public never had an opportunity to learn a lesson from Australia's largest superannuation fraud. Despite ASIC's knowledge of the fraud, it claimed that the money lost in Trio was due to the conduct of some financial planners in Australia who appear to have been influenced by high commissions in recommending their clients into the Trio Capital products. Also people in self-managed superannuation funds (SMSFs) came under a barrage of disingenuous comments.

The systemic failure of the Australian financial system, in respect to Trio, is impossible to ignore, considering the government recognised the necessity to introduce legislation to strengthen the weaknesses in the financial system. The legislative changes made due to the Trio fraud, were in a way secretly carried out as if by stealth. Also ASIC received additional funding to give it greater powers and a Special Task Force was established to deal specifically with serious financial crime.

VOFF call for an independent inquiry into what happened in the Trio fraud.

Australians deserve an independent inquiry into the Trio fraud with the same clarity as the Australian Financial Review's three part Features 'Inside Plutus' published on 4th to 6th July 2017 by Neil Chenoweth. The Features, show a proper professional investigation carried out by the Australian Federal Police, unlike what ASIC did for Trio. It is in the public interest to learn how money may have disappeared from the tax office or from superannuation funds.

VOFF call on the Australian government to recognise the unique position of the Trio victims under the unique circumstances where they incurred monetary losses due to the systemic failure of the Australian financial system.

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