

Open Letter

To Federal Treasurer Josh Frydenberg and
Senator Jane Hume the Assistant Minister for Superannuation,
Financial Services and Financial Technology
28 February 2022

Dear Mr Frydenberg & Senator Hume,

The Australian Securities and Investments Commission (ASIC), the Australian Prudential Regulations Authority (APRA) and Treasury worked in unison to concoct a misleading narrative about the Trio Capital fraud. The public's attention was distracted away from the crime in the same way criminal cartels use conspiracy to defraud, conspiracy to commit a criminal offence, and conspiracy to defeat justice.

The very issues that made the Trio fraud possible, such as weaknesses in legislation, systemic issues and regulatory failure were covered up. Next the Trio crime was politicised and misinformation disseminated to discredit the victims. On top of this, the Government is a beneficiary of the Trio fraud as observed when the Deputy Commissioner of Taxation v. James Campbell Sutherland case in 2017 claimed \$30,791,572.78, and the Deputy Commissioner of Taxation v Liu case in 2012 claimed \$811,180.35. The above two examples are only a fraction of the 5-year life of Trio where 55 Trio staff, 155 financial advisers/fund managers and creditors paid taxes and licence fees to ASIC and APRA.

In regards to the Trio and Sterling collapses, both were Managed Investment Schemes licensed by ASIC. In both cases, ASIC knew the operators had previous histories of misconduct. Despite the fact that the owners of Trio and Sterling had operated other schemes where money had disappeared, ASIC allowed them to continue operating in the financial marketplace.

It's time for the Australian Government to walk the reconciliation walk. It's time to support a compensation/restitution scheme like Kenneth Hayne's CSLR which had the hallmark of a scheme built in the public's best interest. It offered a just compensation for consumers who were robbed and left with no recourse. Mr Frydenberg and Ms Hume, you need to stop protecting the 'sellers' of dangerous products, and apologise to the consumers that lost their life savings due to ASIC's licencing and handling of schemes that were designed to collapse.

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