

Open Letter to The Parliamentary Joint Committee on Corporations and Financial Services

14.07.2021

Dear Committee Secretary,

Victims of Financial Fraud (VOFF Inc) thank the Parliamentary Joint Committee on Corporations and Financial Services for its letter. (See letter below)



PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES

9 July 2021

Mr John Telford

By email: johnt@1earth.net

Dear Mr Telford

Appearance in Guernsey of a person alleged to be involved in Trio Capital

On 23 March and 15 June 2021, you wrote to the Parliamentary Joint Committee on Corporations and Financial Services (the committee) about ASIC's handling of the Trio Capital collapse and the appearance in Guernsey of a person alleged to be involved in Trio.

The committee has received ASIC's response, which provides information on the matters you raised. This is published as item 186 at:

https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/No1of46thParliament/Additional_Documents

The Australian Securities and Investments Commission's (ASIC's) 12-page response to the PJC's questions on notice does not answer the PJC's question. ASIC's response letter dated 4 June 2021 (See item 186 in above link) includes a cover letter and three letters addressed to Mr Telford. The 3-letters are ASIC's reply to concerns submitted by Mr Telford and by VOFF. ASIC's correspondence to Telford and VOFF failed to address their concerns. The same letters don't answer the PJC's recent question.

Concerning the question about Mr Carl Meerveld, who was a manager of Trio's overseas funds when the Trio scheme operated. ASIC state in its cover letter,

'I note that Mr Telford has referred in his letter to concerns raised by Guernsey residents in 2017 about Mr Carl Meerveld - who was connected to the Trio fraud - and various events in Guernsey involving Mr Meerveled, (sic) ... Most of the information in Mr Telford's letter is material relating to Trio that is in the public domain and has already been considered by ASIC. Mr Telford's letter and this material do not raise any new allegations of misconduct or provide any new evidence in relation to Mr Meerveld or Trio that ASIC considers should be addressed.'

In 2010 ASIC informed Mr Meerveld that his assistance in the Trio investigation wasn't needed. Public domain court and liquidation documents including Enforceable Undertakings (EUs) in relation to the Trio fraud do mention Mr Meerveld. This is what sparked the concern in Guernsey. Guernsey residents are concerned about liquidator information of 2015 of the funds managed by Mr Meerveld, one fund saw AUD\$57 million disappear. Guernsey residents are also concerned that no authority in Australia has investigated this last point.

ASIC's letter doesn't address this last point. One of the letters ASIC provided the PJC is dated 2014, the issue of missing money didn't surface until 2015 and the connection to Mr Meerveld as the manager of that particular fund where the money disappeared wasn't realised until 2017.

ASIC is misleading everybody to suggest these issues were dealt with and are in the public domain. VOFF tried to find out about the missing \$57m through Freedom of Information requests from ASIC and AUSTRAC but had no success. The Parliamentary Joint Committee Report into the Trio fraud did not investigate the missing \$57m as the Report was published in 2012 (before the \$57m issue became known). The Trio victims, specifically the self-managed superannuation fund trustees, were quickly blamed. No check was carried out to see whether Trio's custodian banks breached their obligations and responsibilities under Anti-Money Laundering and Counter-Terrorism Financing Act by not reporting the single transfer of \$57m.

The Trio victims were blamed in the same way the consumers of junk insurance got blamed. Retail knew the insurance had little value to a purchaser and a clause buried deep in the insurance contract was why claims failed. It took an independent investigation to stop the insurance scam. No one investigated why one group of victims were blamed while the entire industry wasn't properly checked. No independent investigation was carried out to whether there was appropriate advertising about the 'fraud' protection available to some superannuation funds but not others. Once the victims lost their money, like in junk insurance, there was a clause to highlight to blame the victims.

VOFF urge the PJC to ask ASIC the question on notice again about Mr Meerveld and to find out about the missing \$57m.

ASIC's repeated spin and spiel eventually becomes the Trio narrative. No one has scrutinised ASIC's narrative for accuracy or whether the decisions it made were in the public's best interest. Like Nazi Joseph Goebbels' propaganda, a lie repeated often enough becomes, as in this case, the painful truth.

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