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Victims of the biggest superannuation fraud in Australia's history condemn Minister for Financial Services Bill Shorten's response to the report by the Parliamentary Joint Committee on Corporations and Financial Services on the collapse of Trio Capital. Mr Shorten's response, titled 'COMPREHENSIVE RESPONSE TO COMBATING SUPERANNUATION INVESTMENT FRAUD' dated 26 April 2013 is regarded by the victims as ineffective and unfair.

Victims of Financial Fraud (VOFF), formed in response to the transnational organized financial crime which resulted in the theft of \$176 million from Australian superannuant's and investors, today 28/4/2013, condemned the Gillard government for its refusal to compensate victims of this massive financial crime and to respond effectively to bring the criminals before the Australian criminal justice system.

Mr Shorten rejected the Parliamentary Joint Committee recommendation 1(b) to assist Astarra Strategic Fund investors from the ARP Growth fund. Astarra Strategic Fund was a hedge fund under the control of its responsible entity Trio Capital and under regulatory control of the Australian Securities and Investment Commission. Astarra Strategic Fund was the entity from which the funds were stolen.

VOFF spokesperson Paul Matters said:

“ Minister Shorten’s decision to deny even the minimal compensation recommended by the Joint Parliamentary inquiry is appalling and indicates a complete lack of understanding by the Minister of the threat that this crime poses to the integrity of the Australian superannuation system. His failure to act to protect superannuation system puts at risk the safety of the whole superannuation and non-banking financial system in this country.”

Matters said:

“It has taken three and a half years after ASIC stepped in to shut down Astarra for the Minister to direct that there be a co-ordinated pursuit of the criminals by the relevant Australian investigative authorities.”

"Not only did APRA and ASIC fail to prevent this crime through structural and operational inadequacy, they also failed to prosecute a swift and robust investigation. To this day only one person, the Australian based CEO of ASF has faced criminal court in this country.”

“In addition the Gillard government has failed to ensure that persons of interest in relation to this crime operating in Hong Kong, New York and Luxemburg have even been interviewed in regard to their role much less charged.”

The victims demand justice which entails full compensation irrespective of the anomalies and deficiencies of the Australian regulatory system and the punishment of the criminals. The Minister instead of acting decisively against a massive financial crime initially engaged in politicking against the victims. The Minister disastrously mischaracterised the issue as one of market failure and poor financial advice.

Matters stated:

“Furthermore we are now aware that an initial draft recommendation of the PJC that all victims of the crime be compensated without discrimination was changed to that of recommendation of 1(b). We understand that Senator Matt Thistlethwaite has expressed the view that the ALP members of the PJC were so moved by the evidence of victim’s distress that a draft recommendation for full compensation was proposed. This recommendation was removed in the final PJC report under ministerial pressure.”

Matters said:

“The Gillard government’s failure to respond effectively and equitably to this crime is a national disgrace and shameful. We will intensify our campaign against the totally ineffectual decisions of the Gillard government.”

Matters concluded:

“At the moment in this country we have a government that has failed to grasp that the massive losses to hard working Australians were the result of a sophisticated crime that was conceived, planned and largely executed outside the Australian regulatory jurisdiction. We have a responsible Minister who fails to understand that this crime was committed in the globalised financial markets.”

“Not only can our financial regulators not stop determined sophisticated financial criminals committing crime massive crime against hard working Australians but our regulatory authorities can’t catch them.”

“We challenge the Minister to a full debate, in Wollongong or anywhere, on this issue. We will not go away.”

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