

Press Release
Victims of Financial Fraud (VOFF Inc)
31st May 2018

Trio Victims thrown Under a Bus by ASIC.

The Australian Securities and Investments Commission (ASIC) is not open and transparent about the Trio Capital fraud. It wrongly stated that investors' lost their money due to "poor financial advice". ASIC fail to acknowledge that it allowed known criminals into the financial system to handle investments savings.

Canadian, Shawn Richard, was granted, by ASIC an Australian Financial Services Licence. ASIC failed to check the bona fides of Mr Richard, who was unqualified and not the educated person he claimed to be. He also had a history of boiler room activity in Taiwan. It was a decisive moment in the Trio fraud when the AFS licence, equivalent to a Banking Licence, was issued to Shawn Richard.

The NSW Supreme Court found that Mr Richard set up the Trio Capital scheme to deliberately steal Mum's and Dad's superannuation and investment savings over a 5-year period. ASIC's eight years of investigating Trio found not a cent of the stolen money. Why?

A plausible answer comes from the International Consortium of Investigative Journalists (ICIJ) who released the Panama and the Paradise Papers on May 9, 2016 and 5th November 2017 respectively. The team of investigative journalists provide a window into how sophisticated financial operations hide their money, avoid taxes and evade the laws of an entire country by using offshore companies. Criminals are able to erase their fraudulent tracks and conceal their crimes. Victims of an offshore organized crime don't stand a chance against the international firewalls and secrecy that fraudsters are able to use to create a network of offshore companies. Australians and Australian Regulators have no ability to verify the bonafides of any investment in these jurisdictions.

The Trio scheme lied in their Product Disclosure Statement (PDS) which was signed off by one of the biggest legal firms in Australia and accepted by ASIC. This deceived investors as to where investment assets were invested. Mr Richard deceived investors. He stole hard-earned savings from honest people, many too elderly to recover from their loss. ASIC deceives investors by misleading the Australian community about what happened in the Trio fraud.

ASIC responded by “bringing down” a family run financial advisory business, this then cast doubt on all investors who lost money in Trio – this perpetrated the lie that “it was poor advice”. Some Trio victims are more outraged over ASIC’s deception, than being robbed and ruined. They now despise ASIC and no longer hold any faith in Australian politicians, Financial Regulators and most financial institutions.

In a Freedom of Information response to VOFF, the Australian Prudential Regulatory Authority (APRA) and the Treasury Department both said that they are unable to reveal the details about Trio because the information would “*allow persons with malicious intentions to identify gaps and loopholes in the legislation that limit APRA’s powers*”. APRA and Treasury’s concern demonstrates that the government is aware of the loopholes and weaknesses so why are the 16 million Australians “compelled” into superannuation or encouraged by government to save for their retirement, not warned about these weaknesses? Why is the government compelling citizens to place their savings into a financial system where there is a known risk, yet fail to inform citizens of that risk?

Did the government make a formal decision to withhold evidence of a crime and abandon the Trio victims for the sake of maintaining consumer confidence in the Australian financial system and ASIC? Are uncompensated Trio victims the sacrificial lambs to maintain this illusion? When is ASIC going to come clean about its handling of the Trio matter and explain why it withheld information and evidence surrounding the fraud from a government enquiry, a court case and the victims? Did ASIC in their wisdom think that no-one would question why it decided to bring down (and ruin) only 1 out of 155 advisors, then ignore the fact that Trio was an International crime?

Will ASIC provide an apology to the Trio fraud victims for this major failure to protect consumers, that fell well below community standards and expectations and award Compensation forthwith?

Will the Federal Government hold ASIC to account and work hard to protect consumers?
The Trio Victims remain wronged and uncompensated after 8 years.

John Telford Secretary VOFF Inc
Email: johnt@1earth.net
Phone (02) 4283 5755
R Gallager Executive Member VOFF Inc
Mobile 0417 415 675

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