

Open Letter to Journalists

13 March 2023

Economist John Adams pointed out in 2022 that of the 12,000 to 20,000 complaints about misconduct the Australia Securities and Investments Commission (ASIC) receive each year, less than 1% is investigated. ASIC virtually do nothing as thousands of Australians remain none-the-wiser about the theft and misappropriation of billions of dollars of hard earned savings.

The Minister of Superannuation, Bill Shorten politicised the Trio fraud when his office gave ASIC the directive to bring down financial adviser Mr Ross Tarrant. That's how ASIC handled the fraudulent misconduct in Trio - attack a financial adviser (who had nothing to do with the crime) because he had offered the Australian Workers Union Officers re-election fund advice to invest in a Trio Capital product and the fraud stole the union's money. Mr Tarrant was forced to spend in excess of \$1m defending himself against ASIC in the AAT. Lawyers repeatedly warned him that there is no beating ASIC in the AAT. The questionable integrity of the AAT saw its recent closure. As the Trio criminals sailed off into the sunset with the loot, Mr Shorten and ASIC stopped Mr Tarrant from running his professional business and trashed the Do-It-Yourself sector in the process.

Subsequently Mr Shorten and Stephen Jones MP threw the Trio victims in Mr Jones' Illawarra constituency on the scrap heap. Mr Jones' bias towards the industry superannuation sector continues in 2023, he is now the Assistant Treasurer, ensuring the payments streaming into Labor entities remain undisclosed. 'First Super', chaired by CFMEU Michael O'Connor, recorded \$10.8 million in non-donation and non-gift payments to political entities over three years, nearly as much as the \$11.2 million worth of payments the far larger CFMEU-linked Cbus made over five years.¹

Shorten and Jones took no interest in The Parliamentary Joint Committee's Recommendation 1, the *committee recommends that further efforts be made to investigate avenues to protect investors in the case of theft and fraud by a managed investment scheme* or the Banking Royal Commission's recommendation for a Compensation Scheme of Last Resort. While the self-managed superannuation fund sector appears unsafe, more consumers get sucked into the industry superannuation sector and more money flows to Labor.

ASIC got away with covering up the Trio crime, it did nothing for the victims, ignored regulatory failure and systemic issues, withheld evidence, offered misleading advice, allowed bad products into the financial market, destroyed a family financial services business and turned community against community. Yet the door remains open for ASIC to do it all again.

In late 2022 the Senate Standing Committees on Economics alarmed by Mr Adams' findings launched two Senate inquires into ASIC's handling of misconduct. The Victims of Financial Fraud (VOFF) lodged 36 submissions on behalf of about 1,000 Australians. Then with no reason given, the Committee rejected VOFF's submissions. VOFF was allowed to lodge a consolidated submission but will it see the light of day?

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¹ Joe Aston and Michael Roddan Australian Financial Review Rear Window 23 August 2023 page 37