

**ROYAL COMMISSION INTO MISCONDUCT IN THE BANKING,
SUPERANNUATION AND FINANCIAL SERVICES INDUSTRY**

John Telford
Secretary
Victims of Financial Fraud (VOFF Inc)
September 21st 2018

Submission - Policy related issues in response to Round 5 Superannuation.

To The Banking Royal Commission,

Today's Australian Financial Review front page article by James Frost and Misa Han '*ASIC let off the hook for misleading customers*' writes how the Hayne royal commission showed insurance firm ██████ allegedly breached law by advertising false and misleading information, was liable for a \$7.2 million fine but the Australian Securities and Investments Commission (ASIC) settled for \$43,200.¹

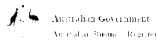
ASIC's handling of ██████'s breaches is suggestive of a cozy relationship that ASIC is known to have had with the banks.

On the other hand, ASIC was determined to 'bring down' a financial advisor who had 220 of his clients caught up in the ██████ fraud. Altogether about 155 financial advisors had clients exposed to the ██████ fraud. What is different about the financial advisor ASIC went after, ██████, is that he was the advisor who had recommended ██████ products to the Australian Workers Union (AWU) Officer's Election Fund (slush fund).

¹ James Frost Australian Financial Review '*ASIC let off the hook for misleading customers*' 21.09.18 pages 1 and 8.

29/01/2018

Current details for ABN 30 450 889 656 | ABN Lookup



ABN Lookup

Current details for ABN [REDACTED]

ABN details

Entity name: [REDACTED]
ABN status: Active from 13 May 2008
Entity type: Other Partnership
Goods & Services Tax (GST): Not currently registered for GST
Main business location: NSW 2142

Trading name(s)

From November 2018, ABN Lookup will cease displaying all trading names and only display registered business names. For more information, click help.

Trading name	From
[REDACTED]	13 May 2008
Officer's Election Fund	13 May 2008

Deductible gift recipient status

Not entitled to receive tax deductible gifts

ABN last updated: 11 Jul 2008

Record extracted: 29 Jan 2018

Disclaimer

The Registrar makes every reasonable effort to maintain current and accurate information on this site. The Commissioner of Taxation advises that if you use ABN Lookup for information about another entity for taxation purposes and that information turns out to be incorrect, in certain circumstances you will be protected from liability. For more information see [disclaimer](#).

ASIC's determination to 'bring down' ██████████ was driven by Mr Bill Shorten's office issuing a directive to ASIC. In going after ██████████, the regulator did not operate as an independent agency.

Some of the benefits to 'bring down' ██████████ are:

- Deflect attention away from the ██████████ crime;
- Deflect attention away from ASIC's failures to identify or prevent the ██████████ fraud;
- Discourage newcomers to superannuation not to open a self-managed fund;
- Revenge for the losses experience by the AWU slush fund;
- Shift the issue of fraud in the financial system to an issue of 'poor financial advice'.

Although the courts acknowledged that ██████████ had nothing to do with the Trio fraud, yet ASIC's handling of the case against ██████████ became indistinguishable between the ██████████, 'poor financial advice' and the ██████████ fraud.

Furthermore, ASIC used ██████████'s traumatised clients as witnesses against Mr ██████████. These witnesses had no sound understanding about the ██████████ fraud. Important information obtained by the Hong Kong Securities and Futures Commission and released only to ASIC under a Memorandum of Understanding (MoU) remains only known to ASIC. The information concerns the ██████████ ██████████ fund based in Hong Kong. ██████████ received all monies from Australia and distributed the assets in to ██████████'s underlying funds. Somewhere along the chain \$200 million has disappeared and ASIC has never informed whether ██████████ complied with the law.

Whether ██████████ complied with the law or not, wouldn't matter if ASIC's power's are rendered useless in overseas jurisdictions. If ASIC knew of this weakness, it may add to the attractiveness to bring down a small family business as a smoke screen. ASIC certainly can be seen as orchestrating events around ██████████, with little attention to the overseas ██████████ operators.

ASIC's outcomes in ██████████ and the banning of ██████████ are signs of the regulator's inconsistencies.

Thank you
John Telford
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