

Media Release



AFP lays charges over \$150 million CSS fraud

August 16, 2005

The Australian Federal Police (AFP) will put five people before the courts in relation to money laundering offences, following an attempted \$150 million fraud of the Commonwealth Superannuation Scheme.

Today's operation follows a complex, 18-month investigation by Sydney-based Federal Agents who have been liaising with financial institutions and law enforcement agencies from around the world.

Three men - a 58-year-old Leura man, a 50-year-old Randwick man and a 50-year-old Paddington man were charged in Sydney today. Two men, both aged 39 and currently in custody in NSW, were issued with court attendance notices regarding the same offences.

All five men were questioned by Federal Agents today about the charges of conspiracy to money launder (section 400.3 (1), Criminal Code 1995) which carries a maximum penalty of 25 years jail. The three men charged today are expected to appear in Central Local Court this afternoon.

The charges relate to the alleged fraud and laundering of \$150million from Commonwealth Superannuation Scheme accounts in Australia. It will be alleged that these offences took place on 24 December 2003 when money was unlawfully transferred to overseas accounts in Greece, Hong Kong and Switzerland.

The AFP has been investigating the matter with the assistance of other federal and state law enforcement agencies, regulatory agencies and the business and financial sectors. The AFP, through its overseas network, has also worked closely with law enforcement authorities in Hong Kong, China, Switzerland and Greece.

AFP National Manager Economic and Special Operations Peter Drennan said this investigation has disrupted a sophisticated and well organised attempt to defraud the Commonwealth Superannuation Scheme and launder the proceeds of this crime through international bank transactions.

"The large sum of money involved and complexity of the method used in this attempt demonstrates the extent to which criminals will go in order to reap substantial profits from their illegal activity.

"The arrests to date represent the determination of police to bring to justice people who commit financial based crimes and protect potential victims of this type of activity," said Federal Agent Drennan.

Authorities have recovered \$147 million of the transferred money. The outstanding \$3 million has been restrained, subject to court proceedings in Hong Kong. Investigations are continuing.

Media enquiries: National Media Enquiries: (02) 6275 7100