

Haydar Tuncer

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**From:** Gervase Greene <s 11C(1)(a)>  
**Sent:** Friday, 7 October 2022 3:08 PM  
**To:** Warren Day <s 11C(1)(a)>  
**Cc:** Louise Macaulay <s 11C(1)(a)>  
**Subject:** FW: Investigate ASIC now! [SEC=OFFICIAL]

First and only peep on this today, that I'm aware of. s 47F

s 47F

GG

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**From:** ASIC Website Feedback <[feedback@asic.gov.au](mailto:feedback@asic.gov.au)>  
**Sent:** Friday, 7 October 2022 2:46 PM  
**To:** Media Unit <[Media.Unit@asic.gov.au](mailto:Media.Unit@asic.gov.au)>  
**Subject:** FW: Investigate ASIC now! [SEC=OFFICIAL]

FYI

Regards,

**Joe Rullo**  
Digital Content Publisher, Consumer Insights and Communications

**Australian Securities and Investments Commission**

120 Collins Street, Melbourne, 3000

s 11C(1)(a)  
s 11C(1)(a)@[asic.gov.au](mailto:asic.gov.au)



ASIC

**From:** Citizens Party <[citizensparty@citizensmail.com.au](mailto:citizensparty@citizensmail.com.au)> **ASIC** FOI 169-2023

**Sent:** Thursday, 6 October 2022 2:32 PM

**To:** ASIC Website Feedback <[feedback@asic.gov.au](mailto:feedback@asic.gov.au)>

**Subject:** Investigate ASIC now!

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## Australian Citizens Party

### Media Release Thursday, 6 October 2022

Craig Isherwood, National Secretary

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## Investigate ASIC now!

*When the corporate regulator investigates fewer than 1 per cent of complaints, no wonder Australia is a 'paradise for white collar crime'.*

While the 2021 Senate inquiry into the collapse of Sterling Income Trust, which left more than 100 elderly retirees and pensioners facing eviction and homelessness, is yet to result in any concrete outcomes, it has certainly contributed to a new push for a major inquiry into the Australian Securities and Investments Commission (ASIC).

Independent economist John Adams, who supported and assisted in the Sterling inquiry, used the information he gleaned to achieve an ASIC investigation into another case of corporate misconduct he was investigating.

However, in doing so, Adams saw how extremely difficult it is to get ASIC, the corporate regulator, to take complaints seriously.

Although he achieved an inquiry, he knew that the lengths to which he had to go, and the expense he incurred to achieve it, could not be matched by the average mum-and-dad investor who expects ASIC to be there to police financial crime.

"It shouldn't be this hard", Adams says in an interview the Citizens Party's *Citizens Insight* program posted on YouTube this week.

Click here to watch [CITIZENS INSIGHT: You can't be a tough cop on the beat if you don't investigate crime—John Adams](#)

Adams tells *Citizens Insight* the story of his investigation of ASIC's complaints handling process, from which he discovered that over the past decade, the percentage of complaints ASIC investigates has fallen even though ASIC's resources and staff levels have increased; the current rate of complaints leading to investigations is now just 0.74 per cent.

The former economics advisor to Senator Arthur Sinodinus gives *Citizens Insight* an overview of a 70-page report he has written, "Handling of Reports of Alleged Misconduct by the Australian Securities and Investments Commission", in which he calls for a Parliamentary inquiry into ASIC.

### Inquiry

Today major media outlets have reported on John Adams' work and the push for an inquiry.

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In "[Economist alleges corporate watchdog ASIC is only investigating tiny proportion of complaints](#)", ABC journalist Daniel Ziffer reports: "In 2014, the boss of the nation's corporate watchdog said Australia was a 'paradise' for white collar crime, due to weak penalties. Economist John Adams' analysis of investigations by the Australian Securities and Investments Commission (ASIC) suggests things may have worsened."

ABC also reported on the political support for an inquiry:

"Senators from both major political parties back Mr Adams' contentions—and his push for an inquiry into how ASIC deals with investigations. Liberal senator Andrew Bragg says he has long had concerns about the culture inside ASIC. 'ASIC is not focused on law enforcement and prosecution', Senator Bragg says. ... Senator Bragg was recently appointed chair of the Senate Economics References Committee. He says the committee could 'do the job' of examining how ASIC deals with complaints and referrals.

"Meanwhile, Labor senator Louise Pratt also supports the push, having previously supported a Senate inquiry into a failed property scheme with the umbrella title of Sterling Income Trust. 'This report exposes ASIC's failings in following up the growing number of complaints it receives about corporate and financial misconduct', she said. 'We should expect better from Australia's corporate regulator'. Senator Pratt said as a member of the parliamentary committee that has oversight of regulator, the data sounded 'alarm bells'. 'These issues keep me awake at night as I have seen too many constituents fall victim to corporate misconduct with devastating consequences', she said."

In a news.com.au article published in the *Herald Sun*, "[ASIC slammed for investigating just 1 per cent of alleged breaches, according to new report](#)", journalist Alex Turner-Cohen reported:

"News.com.au has spoken to other experts who are alarmed at the low enforcement rates, especially when it comes to wrongdoing from collapsed businesses. Australian Restructuring Insolvency and Turnaround Association (ARITA) CEO John Winter told news.com.au that the laws in place for corporate misconduct acted as a good deterrent, but the problem was they were never being used. An illegal phoenix operation, for instance, which involves transferring assets from a collapsed company to a new company to avoid paying off debts, can carry up to 15 years in prison. But he is yet to see anyone face the full might of the law, and very few face any penalties.

"Prosecution 'is an expensive undertaking', Mr Winter told news.com.au. 'As a regulator you have to be prepared to win some or lose some but you at least have to be prepared to go to court.'"

Countless Australians are aware of how weak and ineffective ASIC has been as a regulator, especially if they have been a victim of financial misconduct, so this is an opportunity to support an inquiry specifically into the dysfunctionality of the regulator.

To support an inquiry, phone or email the following politicians to tell them to establish an inquiry into the Adams Report:

Financial Services Minister **Stephen Jones** (ALP)

**Senator Deb O'Neill**, Chair of the Parliamentary Joint Committee of Corporations and Financial Services (ALP)

**Senator Andrew Bragg**, Chair of the Senate Economics References Committee (Lib)

**Dr Daniel Mulino**, Chair of Standing Committee on Economics (ALP)

**Senator Louise Pratt**, Chair of Finance and Public Administration Legislation Committee (ALP)

**Senator Paul Scarr**, Chair of Legal and Constitutional Affairs References Committee (Lib)

[Click here for contact details of these politicians.](#)

**More information**

For more information, watch the series of discussions by John Adams and DFA Principal Martin North on this issue posted on their In The Interests Of The People YouTube channel:

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[Stopping The Paradise Of White Collar Crime](#)

[Are The Financial Cops Helping The Crooks?](#)

[The Package That Will Shock Australia](#)

[The People Must Have Access To Financial Justice](#)

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Authorised by Craig Isherwood, Citizens Party, 595 Sydney Road, Coburg, Victoria 3058.



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