

Feds raid homes of Reserve Bank Execs

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Oz not immune to criminal Banksters

FEDERAL police have raided the homes of executives from a Reserve Bank of Australia company as part of an international bribery investigation.

Warrants were executed on Thursday to search the Mont Albert North home of Securrency managing director Myles Curtis and the Roxburgh Park home of company secretary John Ellery. Australian Federal Police officers also executed a search warrant on the Melbourne headquarters of the RBA polymer banknote firm on Thursday.

An AFP spokeswoman last night said no charges had been laid as yet nor had anyone been questioned.

An emergency meeting of Securrency's board, which is chaired by RBA assistant governor Bob Rankin, last night resolved to stand down Mr Curtis and Mr Ellery while the police inquiry continued.

The board has also ordered Securrency to immediately suspend all overseas marketing activities involving foreign agents and has asked external auditor KPMG to conduct a case-by-base review of the company's agreements with agents.

The Age can also reveal that Britain's Serious Fraud Office has become involved in the investigation. Two of Securrency's leading sales executives conduct much of their work from England.

Securrency, which is half-owned and supervised by the RBA, makes polymer material used to print money in Australia and 28 other countries.

The AFP has been investigating the company since May for allegedly bribing foreign government officials to secure banknote supply contracts in countries such as Vietnam, Nigeria and Malaysia. The investigation has centred on a series of multimillion-dollar payments by Securrency to politically connected middlemen or agents hired to help it win contracts.

In a statement released last night, the Securrency board revealed KPMG auditors had discovered that concerns about the company's payments to middlemen were raised by a staff member in 2007.

The statement said Securrency management investigated the claim and took no action.

Securrency management did not disclose the complaint to the Securrency board or the RBA. "The [Securrency] board's view is that such non-disclosure by company management is unacceptable," the statement said.

Under Australia's criminal code, it is an offence to pay a foreign government official in order to obtain a business advantage. Jail terms of up to 10 years and hefty fines apply to those convicted of foreign bribery offences.

If police charge Securrency and its executives, it will be Australia's first prosecution for foreign bribery offences.

The RBA called in the federal police after The Age in May revealed Securrency's payment of commissions to middlemen. Many of these men had been implicated in previous corruption scandals and one was a convicted white collar criminal.

In an apparent breach of RBA policy, Securrency paid millions of dollars into tax haven bank accounts linked to the foreign middlemen.

In 2007, the RBA ordered its sister company, Note Printing Australia, to sack its network of foreign agents after an audit confirmed integrity fears. However, the RBA allowed Securrency to continue paying millions of dollars to middlemen to help win contracts.

Securrency's biggest contracts have come from Vietnam and Nigeria.

The RBA last night released a statement endorsing the actions of the Securrency board.

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