

Austrac bank probe failure

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FULL TEXT

FINANCIAL crimes watchdog Austrac has been called “hopeless” after its case against Westpac —over 23 million breaches of money laundering laws and giving a free pass to 12 customers potentially committing child sex crimes —resulted in a single charge.

The revelation of the single charge comes six months after Austrac referred the 12 customers to the Federal Police, and as the case against the bank, which self-reported the breaches, returns to court.

The Herald Sun can reveal two of the customers have been cleared but questions have been raised about the remaining nine. Austrac refused to comment on the case while it is before the courts.

Ron Pol, a lawyer and anti-money laundering expert, said the breathless reporting surrounding the “clickbait of 23 million breaches” did not consider how Austrac had in the first place “overlooked a glaring gap in the number of reports it should have received” from Westpac Bank. He said it was a symptom of a compliance culture that measured activity rather than results.

But Austrac faces mounting criticism of its apparent failure to act on suspicious matter reports ranging from millions of dollars in a gold refinery money laundering scam to video evidence of a shopping bag full of money being laundered at Crown casino.

Industry experts also say Austrac has not published —since 2014 —important typology reports warning of the methods criminals use to conceal, launder or move money.

Independent federal MP Andrew Wilkie said “in my -experience, Austrac’s conduct has been hopeless”.

“On a number of occasions I have provided Austrac with hard evidence of money laundering and other criminal activities, and every time they have ignored the evidence or obfuscated with bureaucratic gobbledygook,” he said.

“The bottom line is that Austrac is useless. It needs to be either replaced or genuinely fixed, because right now it gives Australians a false sense of security.” Austrac is also facing questions after telling Senator Rex Patrick in Senate Estimates hearings that it had either set up an internal committee or formed a team to review how it missed Westpac’s noncompliance. A Freedom of Information request from the Herald Sun revealed Austrac holds no documents to back up that statement.

An Austrac spokeswoman said it “has existing systems in place to identify noncompliance and will not hesitate to take enforcement action where noncompliance is identified”.natalie.obrien@news.com.au

CREDIT: Natalie O’Brien