

Victims of Financial Fraud Incorporated (VOFF Inc)
INC9897887
Secretary: John Telford
April 18th 2017

Inquiry into Superannuation Alternative Default Models
Productivity Commission
Locked Bag 2, Collins Street East
Melbourne VIC 8003

Submission into Superannuation: Alternative Default Models

This is "Short" version – see "Long" version for background.

Dear Productivity Commission (PC),

Due to the potential of 'fraud' attacking superannuation where ultimately the people with money in superannuation will carry the loss, it is suggested the following recommendations be disclosed to newcomers to mandated superannuation.

Recommendation 1:

Advise newcomers to superannuation to be cautious because promotional material may be fake or deceptive and ultimately the newcomer will suffer if fraud occurs.

Recommendation 2:

Newcomers to superannuation need to be informed that if audits are not correct and money disappears due to fraud, the newcomer will incur the loss.

Recommendation 3:

Newcomers to superannuation need to be warned that a license obtained by a company does not mean that ASIC govern or regulate that company, as illustrated by the Trio example.

Recommendation 4:

Warn newcomers to trust nothing around superannuation, not even Banks as Trio illustrated, banks, auditors, star rating firms, research houses all walk away in the same way that ASIC and APRA walked away from the fraud. Again newcomer to superannuation will carry the loss.

Recommendation 5:

Newcomers to superannuation need to have a written statement of where their money will be invested and a guarantee that it won't go anywhere other than what is disclosed.

Recommendation 6:

Inform newcomers of the following lessons from the Trio fraud,

- superannuation is an attractive target for financial predatory crime.
- warning – ASIC and APRA don't stop fraudsters.
- a systemic failure ignored.
- Trio self-manage trustees were blamed.
- self-managed trustees have no recourse available under existing Australian law.
- superannuation fraud can be a health hazard. [Has caused death].

Due to time constraints this submission did not go before a VOFF executive meeting and remains the responsibility, views and opinions of Mr John Telford.