

To: Parliamentary Joint Committee on Corporations and Financial Services

I met my husband in 1989 and we were married in 1991. We were both in our thirties. I was a teacher and he was an investment banker. When we first met, I had assets from a previous property and another property without a mortgage and was working full time.

I began divorce proceedings in 2010 immediately after I was made aware of a \$1M mortgage that I had no knowledge.

The financial abuse started well before I first caught my husband, with the assistance of Bank A and other financial institutions, controlling my finances and misusing the money and assets I owned, or we jointly owned. He had been moving money out of assets for about seven years during our marriage without my knowledge.

In 1991 soon after marriage, my husband closed all the credit card accounts which were under my sole name. And he was able to do it!

On 29 November 2004, without my consent, he took out a mortgage taking the equity out of the house we jointly owned.

During the time of the divorce while in court, he opened a joint account at **Bank B** without my knowledge. I was told by **Bank B**, that I could not close the account as it needed 2 signatures, but about four years later he my husband was able to do it ~~did~~ without my signature or knowledge.

The most significant abuse was the long and deliberate process in laundering money using **Bank A** accounts.

The prevalence and impact of financial abuse, in particular the approaches taken by financial institutions to identify, record and report financial abuse

My husband had an insatiable drive to do all the grocery shopping. It was not until 2010 when I got hold of subpoenaed documents that I discovered how he moved money between accounts by regularly withdrawing cash from a **Bank A** account using the self-checkout counters at supermarkets.

When you go shopping, you might spend \$342.65, etc, but when he went shopping, he spent in even amounts, that is, \$400, \$300, etc. The best was later when he found an ATM in the city where he could take out \$800 at a time. He got better and riskier as he went on. By about May 2005, he had 'his system' almost down pat. Over the years his methods on how to move and launder money improved.

In August 2004 he also moved \$1.4 million in a few days. All done through **Bank A**. This money was obviously money earned through investments and the like. He was liquidating our assets. This was the first step before he took out other mortgages totalling over \$1M. Three mortgages to be exact.

On 29 November 2004, through a broker, he took out a mortgage with **Bank C** on a house owned in both our names. He started moving \$600,000 in 2005 and another \$400,000 in 2007. (There were two parts of the \$1M mortgage.) I knew nothing about this mortgage. He cut this mortgage into smaller amounts (below \$10,000.00) and washed it through ATMs, especially at supermarkets and petrol stations. He used other ways as well, e.g. cheques.

Along the way he found other ways to launder the cash. He took out lines of credit from two main credit card companies, then he repaid them by BPay. The cash was washed. The debit and credit columns in the bank statements clearly show how much money was being moved in just 2005. (I can provide these statements on request.)

Example:	Lending services	\$200	on 2 September 2005
	<b>Bank B</b> BPay	\$200	on 21 November 2005

He had other ways to launder. As noted in further **Bank A** statements, on 15 January 2008, he transferred twice from the **Bank C** mortgage to **Bank A**. First \$40,000 and then, on the same day, another \$60,000. In June 2008, there was another \$20,000 transferred from the **Bank C** mortgage. This pattern of withdrawal followed every year. (I can provide these statements and forensic reports on request.)

He also disposed of money from his companies. On 11 January 2008, he took out \$5,000 from one of his companies and then, on the same day, transferred the same amount of money to another transfer account, where he took a line of credit for \$5,000. He washed the cash and then used BPAY to repay it.

It took him seven years to move over \$1 million and more. I spent 20 years living with that. That's determination on his part. The meticulous, calculated defrauding of my assets over seven years is dedicated, at least.

There were two **Bank A** home loans in my ex-husband's name only for approximately \$300,000 for about eight weeks before he got the **Bank C** mortgage for a \$1M. Both these home loans were secured against the home that was in our joint ownership. Later when I started investigating, the **Bank A** Head of Security emailed me confirming these home loans were secured on the property in both our names. How could I have known about the loans when they were in his name only?

I found more through subpoenaed documents and forensics. In the 1996 **Bank A** mortgage document, the signature purporting to be mine was NOT my signature. I did not sign the document and I was not present when it was witnessed and signed by people in **Bank A**. Ironically, when I asked the **Bank A** Home Loans Division about mortgages, I received an email saying that I'd never had a home loan with **Bank A** in the 1990s or 2000s.

The reality was, unknown to me, that a million-dollar mortgage from **Bank C** was fed into **Bank A** and laundered out. When we separated in 2010, I had mail redirected, I found a **Bank A** investment account fraudulently opened in my name that I had no idea about. I told the bank about this in writing and by phone and yet I kept receiving emails from this section of the bank until 2018.

I have in my possession a fraudulent **Bank A** Bill that my husband used to defraud another person (the beneficiary of the stolen trust fund mentioned in next paragraph). The beneficiary went to **Bank A** to present the Bill and was told, "Oh! We've got nothing missing." The beneficiary then informed me.

While in court and evidenced in the initial forensic report required for the Family Court proceeding, it was revealed that a trust fund had been set up in **Bank A** by my husband, who then took all the money from that Trust Account and progressively gave the beneficiary forged **Bank A** Bank Bills. I had to pay back the stolen Trust Fund to the beneficiary and their court costs in the Family Court.

I also have the documents to show that **Bank A** had allowed my husband to close our Safety Deposit box and change it into a company name. I then had no access to it and its contents. I lost my jewellery including my engagement ring which my ex-husband later tried to sell back to me.

When I approached **Bank A** about the home loans, the forged Bank Bill, closing of the deposit box and the investment account, they said, "We will do an investigation".

I wrote to **Bank A** Security. I wrote to **Bank A** Legal Services. I wrote to them repeatedly because they weren't responding. But I persisted. The reply from **Bank A** Security showed the bank was not a bit interested in my plea.

Here's my evaluation:

1. Firstly, **Bank A** confirmed that the two **Bank A** Home Loans in my husband's name only were secured against the home that was in both our names. I NEVER gave consent for these two **Bank A** Home loans. I would have thought that was illegal.
2. Secondly, **Bank A** had no ethical thoughts about my husband closing our Safety Deposit Box and did not contact me when he changed the ownership of the Box and its contents.
3. Thirdly, **Bank A** neglected the clear evidence regarding the accounts showing money being syphoned or laundered which showed up in subpoenaed documents.
4. Fourthly, the Head of Security at **Bank A** did write that I should get an Event Number from the Police and **Bank A** would give the POLICE all the relevant documents. But that did not happen.
5. After **Bank A**'s so-called investigation, they omitted mentioning the laundering and the investment account that was fraudulent.

I should note here that I lodged a fraud report with the NSW Police on the 22 December 2010, but I was not given an Event Number until almost two years later after I sought help from the Crimes Commission. I emailed the Head of Security in **Bank A** with the Event Number and eventually received a response stating **Bank A** considered there had been no fraudulent activity. They reiterated this in an email to ASIC. ASIC sent it to me.

After three years of effort, I was made homeless and had PTSD because the **Bank A** failed to identify, record and report the financial abuse I experienced, even when I had an Event No. and forwarded it to **Bank A**.

The effectiveness of existing state and territory laws and regulations that govern the ability of financial institutions to prevent and respond to financial abuse

The mortgage with **Bank C** for \$1 million as mentioned above, was taken out as a Low Doc Loan by a broker in Marrickville. It is very unusual that my husband would go to a broker when he was an investment banker with good networks in the banking system. And, we had no mortgage since 1997 according to Title Deeds.

The first part of the **Bank C** mortgage was for \$600,000 and he subsequently extended it to \$1M. Looking at the documents, next to my signature, was written, 'must be witnessed'. It was witnessed by my husband's friend, who was an accountant. Later, when I faced this man and showed him the document he said, "I didn't witness your signature". This I documented in a diary.

The other interesting thing on the document is that it is missing my phone number, and 'silent number' for the home is written on the document. The document is faulty in many areas. I did have a mobile number but it was not written on any document. No one from bank or broker had even seen me.

This mortgage was taken out on 29 November 2004, the date before my husband, our children and I left Australia for overseas for a three-week holiday. Neither the broker nor the bank contacted me. They simply could not or did not? Nor did they see me.

The first part of the **Bank C** mortgage was taken out in 2004, for \$600,000. Did I sign the Bank C document? I recall one night, my husband came home after work and said, "I need you to sign some papers for insurance. I've left them upstairs in the office". I had two little children and was very busy. This is known as 'the nightmare hours' – feeding, bathing, dressing, homework, and getting ready for bed. He said, "Look at them after you've finished with the kids." I didn't ask again, as I was exhausted and I went to bed. The very next morning, around 6am, my husband was dressed and ready to walk out the door. He came to me when I was still in bed and said, "...., ...., wake up. Remember I asked you to sign those documents for insurance? I have an early meeting today, so I have to go. Don't get out of bed; I've placed crosses where you sign. Here's a pen". Half asleep, just woken up by him, still lying down in bed, I signed where he showed me the crosses.

When I confronted him later, he sniggered and said, "You signed".

I contacted the Head of Mortgages of **Bank C**. I told him that I had just found out that I had a mortgage with them that I knew NOTHING about. I was very distressed. I told him that it had to be FROZEN. I insisted on it. I repeated, "It is fraud. It was taken out without my knowledge. It is fraudulent."

**Bank C** froze the mortgage and later got their lawyers to file in the Supreme Court against me! The Statement of Claim was sent to my husband's lawyers who forwarded it to my solicitor. I was later told this is because my husband was their client. In the Family Court I was ordered to pay back this mortgage and costs.

My husband racked up debts that I knew nothing about, and I was culpable for his debts. During the proceeding in the Family Court leading to the divorce, I found out there was hundreds of thousands of dollars in credit card debt, approximately \$350,000 which I had to pay back. The accounts were all in his sole name.

I could not afford to fight the claims because, in litigation, the one who has the 'deepest pockets' is the winner, and that's the banks or a husband. No one cared. No one helped. No solicitor would take the case against the bank as I had no money.

My experience with the banks and credit card providers clearly indicates state and territory laws and regulations allow financial institutions to operate without any responsibility or 'duty of care' to prevent and respond to financial abuses. There is NO accountability.

#### Other related matters

I understand with a divorce, the law treats everything that the husband and wife have either jointly or individually as part of the family assets. A court will generally take the position that debts accrued during the relationship, either jointly or individually, were for the mutual benefit of both parties with mutual knowledge or consent of the other party and therefore responsibility is shared by both parties. If the debt was accrued by one party for their own purposes and not for the benefit of both parties, then a court may exclude this debt from the asset pool.

However, in the Family Court the ONUS is on the plaintiff to prove it. And you have to have money to keep litigation going. At the time of my divorce proceeding, I had no choice but to settle out of court because I ran out of money. I came out of settlement with not a cent! And two children.

I was unknowingly subject to my husband's fraudulent acts during our marriage and resulted in paying financial institutions the balance of a huge mortgage and my husband's debts. I lost everything. My children and I moved to a rented one-bedroom unit. We lived on handouts from friends and family for many years. The financial abuse has a life-long psychological impact on my children and I.

In my view I did not receive a just and equitable outcome in the property settlement. I not only came out penniless but without the basics to survive with dependent children, a fridge, washing machine etc. He sold the lot.

I urge state and territory, and Commonwealth law makers to look into reforming the law and practices in dividing family assets and spousal debts in divorce and de facto separation to ensure both parties, in particular, victims of financial abuse, receive a truly just and equitable outcome.

I found that the NSW state jurisdiction and Commonwealth jurisdiction laws are so different and therefore need to be harmonised especially when it comes to the court.

During this journey I also emailed with subpoenaed documents and reports showing fraud to most Government Departments. Some of the departments were: Attorney General's Office, Australian Federal Police, NSW and Commonwealth Ombudsman, AUSTRAC, DPP, Police Integrity, Commissioner of NSW Police, ASIC, ATO and the list was endless.

No one had a 'duty of care'. No one took any responsibility. No one was accountable. I believe that government departments should have a duty of care. I have all their responses. Most said they had no powers to do anything or was a civil matter.

I provided the evidence and supporting documents to AUSTRAC which subsequently led to **BANK A** being fined \$700 million plus legal costs. While I was victim of financial abuse because of husband's fraudulent activities with the assistance and recklessness of the banks, I got nothing.

I suggest that the only way to keep all financial institutions accountable and give financial abuse victims a life is to create a new Government Department (run similarly to the ACCC) called The Family Affairs Department.

I coincidentally have just finished a book about my journey which comprises of documents, emails, forensic reports, subpoenaed documents and contemporaneous notes in diaries I kept for all the years travelling through the system. All documents are referenced. It is an in-depth look and conversation on how all financial institutions and State government and Commonwealth institutions turn a blind eye to financial abuse. This book will show you how financial abuse occurs from all aspects on a victim with children.

You are welcome to read it.

Really! It is a necessary read if you are to keep departments and banks accountable.