

Economics References Committee
Senate Standing Committees on Economics PO Box 6100
PARLIAMENT HOUSE
CANBERRA ACT 2600

Dear Senators,

Senate Inquiry into Penalties for White Collar Crime

b. The use and duration of custodial sentences.

Regarding Criminal Cartel Operations such as been happening in the banking sector over decades, there must be a BIG disincentive to stop them. A minimum of 25 years gaol for corporate CEO's and Executives with no parole for at least 20 years might do the trick. Of course, then someone has to be willing to prosecute them, and so far, even with the current penalties, there have been no prosecutions. They have flaunted the law, and will continue to do so unless the penalties are very high, AND some prosecutions begin. In addition we want the enforced forfeiture of all proceeds of crime and assets by Cartel Participants, and the tough penalties for White Collar Crime. We need to send a signal to the average Aussie that THEY MATTER, instead of allowing the current situation where they are fair game for any banking cartel.

c. The use and duration of banning orders.

That banning orders, fines are inappropriate for white collar crime and/or Cartel activity. Banks have been stealing assets, particularly homes, via asset lending. That is a criminal offence. The current \$100,000 fine for CEO's on \$150 million is grossly inadequate. Regulators have covertly deemed these activities as a civil 'wrongdoing' and not investigated the Low Doc scandal as being criminal activity on a massive scale. That is grossly unfair and by "deeming" the matter as wrongdoing, demonstrates the existence of a criminal regulatory cover up. That must be stopped.

d. The value of fine and other monetary penalties, particularly in proportion to the amount of wrongful gains.

Grossly inadequate fines and other monetary penalties. High level bankers are paid ludicrous amounts. A \$100,000 fine to them is peanuts. They could buy multiple properties on just one year's income, but pillage Australians by fraudulently changing the borrowers' documents in order to create unaffordable loans, with the intention of

seeing the loan fail within five years so they can get the homes of people on an average wage for whom \$1000 is a lot of money.

e. The availability and use of mechanisms to recover wrongful gains.

I don't know what mechanisms are available. I just know that if they exist, they aren't available to the average Aussie. In foreclosures, the judges sit on the side of the bank because of presumptions that they make (and maybe because they have shares in the banks, or they are getting paid to encourage their presumptions). The borrower can't afford a lawyer; the bank knows that; they go for summary judgement, and the judge gives it without question. The borrower doesn't get a look in. One friend of mine challenged the judge when he gave SJ in favour of the bank, asking, 'Have you *read* my defence?' The judge looked at her, somewhat bemused, and firmly stated to the effect, 'I don't need to. I believe the bank.'

So right from the start, there are no mechanisms available to *stop* the wrongful gains, and once the bank takes all, the victim is left without any knowledge or capacity to recover what has been taken from them by fraud.

f. Penalties used in other countries, particularly members of the Organisation for Economic Co-operation and Development [OECD].

I don't know much about this either, but the little I do know tells me that bankers in every country except Iceland are getting a free ride. The bankers' actions have been criminal, but some countries just say they've 'done wrong' as if they are minor issues. They are issues on a major scale, perpetrated by so called 'model litigants' who have learned that being a bank has somehow allowed them to act outside of the law - criminally - and at worst, get a slap on the wrist.

We are talking about tanking cartels operated by crooks who are profiting from fraud.

Other nations. UK and US used the words "wrongdoing" as if the banks had engaged in minor infringements therefore failed to criminally prosecute the obvious banker cartels. Their crooks profiteered from fraud. There is only one Government on the planet that I know of that has had the balls to make the criminals pay.

It's time Australia followed Iceland's example, and conducted full investigations (that are not a whitewash, and that aren't compromised by conflicts of interest) to correctly identify the criminal acts carried out by the banking cartel against the people of Australia. These acts have not

only seriously damaged every individual borrower victim, but has also seriously damaged the Australian economy.

g. Any other matter – relevant to penalties and white collar crime. Use your own words.

The banking industry CEO's know they have been 'untouchable', so ignore letters, won't answer legitimate questions etc.

Banks care about their bottom line, and not their customer.

Through illegal application of the securitisation process they are able to make 10, 20, 30 times the value of each loan by creating multiple securities from the one loan and calling each of them 'mortgage backed' or 'asset backed'. The investors are told that each security is backed by one mortgage, but this is not true. The only thing backing each security is insurance that is there for the benefit of the Trust, not the investor.

When the unaffordable loan defaults, the Trust is able to make a juicy profit from the insurance payout - 100% paid on every security that was created from that one loan/mortgage.

All this is criminal activity. Securitisation is predatory per se - a huge incentive for banks to create unaffordable loans.

Penalties for this area of white collar crime must also be stiff.

The Impact on Us

As a result of the bank's predatory practices we lost our family home - our only property. Since then we have had no place to call home and have no fixed address. We are in our early 60's.

The eviction process involved very high-handed tactics that brought further damage to us. On eviction day we were denied access to our belongings and told we could get them the next day at some distant location. They lied. It took nearly four weeks of a great deal of stress to get them. They destroyed all our refrigerated and frozen goods, including a lot of meat, expensive health products, perfumes and essential oils; denied us access to get our cats, both of which became feral leading to one being destroyed to the distress of our daughter; refused to release our son's car that was on the property and ultimately disposed of it; destroyed some valuable bonsai plants; and more.

We were further impacted by the intentional sale of our home for half its appraised value, leaving us no equity with which to start again. If it had been sold for a fair price, we could have purchased a cheaper home elsewhere and not be homeless now.