US Law Enforcement Gives NSW Police A Hand Nailing CBA Felons

Summary:
This CBA story has it all. Highest level (so far) bank executive guilty of corruption and jailed. US FBI and SEC join forces with NSW Police to nail the perpetrators.

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Ex-Commonwealth Bank tech executive Keith Hunter jailed for bribery

Keith Hunter, a former senior technology executive at Commonwealth Bank of Australia, has been sentenced to three-and-a-half years in jail for bribery offences after CBA discovered suspicious payments being made to his bank account there which it referred to the NSW Police.

In the NSW District Court on Tuesday Justice David Arnott sentenced Mr Hunter, 62, for "dishonestly obtaining financial advantage by deception" and "corruptly receiving a

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benefit" after he and another CBA colleague allegedly received a combined total of $2.9 million in bribes. Mr Hunter would be eligible for release on parole in March 2019, the court said.

The scheme was allegedly orchestrated by US technology entrepreneur Eric Pulier in return for CBA awarding $10.5 million in IT contracts to Mr Pulier's US software company, ServiceMesh. The contracts helped ServiceMesh win an additional $US98 million of payments from Computer Sciences Corporation the year after it was acquired by CSC for $US163 million in 2013.

Mr Hunter received about $US630,000 in kickbacks for assisting the plan, according to police. They said Mr Hunter helped ServiceMesh by successfully lobbying internally to quickly award it the contracts. The Silicon Valley-based ServiceMesh provided CBA with cloud computing software services since 2009 that formed part of CBA's core banking modernisation program.

Mr Hunter initially pleaded not guilty to the offices but changed his plea to guilty in June. His **former colleague Jon Waldron, a New Zealander who joined CBA in 2008 as executive manager of database services, has pleaded not guilty to charges relating to the same series of events. Mr Waldron's case is still before the courts.**

CBA sacked Mr Hunter, an American citizen who joined CBA in 2011 as executive general manager of IT delivery systems, after discovering suspicious payments being made to his CBA account, and his account in New Zealand with Auckland Savings Bank (ASB), which is owned by CBA.

Strong values

CBA's suspicions about illegal kickbacks at the bank came to light in October 2014, when CBA's group security received information concerning sizeable payments in US dollars that were arriving in Mr Waldron's CBA account. The matter was reported by CBA to the NSW Police in February 2015.

A CBA spokesman said on Tuesday that referring the matter to police "was the right thing to do."

"We have consistently said that part of being ethical and having strong values is that we must act," he said.

"We considered that the suspicious activity of these individuals was serious, which is why we took the step of reporting their activity to the NSW Police. The police acted by laying charges against two former employees. One has now been sentenced.

"We have cooperated with the police throughout their investigation and the proceedings and will continue to do so as the judicial process continues for the other individual."

When he is ultimately released from jail in Australia, Mr Hunter faces additional legal proceedings in the United States after he was charged with criminal and civil offences by the US Department of Justice and the US Securities and Exchange Commission in September. These offences carry a maximum sentence of 45 years in prison. The SEC has also filed civil charges against Mr Hunter for securities fraud which he has agreed to settle.

Last year, Detective Superintendent Arthur Katsogiannis, commander of the NSW police fraud and cybercrime squad, said that in his experience working in criminal matters, **Mr Hunter and Mr Waldron "are probably the most senior executives that have been caught out for this particular offence."**

Asked if it was a "blunder" by the men to store the funds at the very bank where they were working, Detective Katsogiannis said: "What do you think?"

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Here's a better question from BRN: Would this crooked bank executive have gone to jail if the US FBI and SEC did not get a tip off and assist NSW Police to nab the perpetrators? Also: it only seems like crooked bankers face court and jail when they rip off their bank ..... not when they rip off customers. Why is that? Oh ... and where's ASIC?

Australia treats whistleblowers very poorly. Cases like this usually remain hidden. BRN has called for powerful whistleblower protections to be introduced and the minor parties and independents like Nick Xenophon and Derryn Hinch are also pushing for reform. In America whistlblowers are treated as heroes and get significant rewards when the information gathered leads to a conviction. Don't you think CBA whistleblower Jeff Morris should be rewarded? Maybe the banks should be putting money into a pool to fund whistleblower payments. We'll have to ask CBA's CEO Ian Narev - he always likes to look like he's doing the right thing ..... in public anyway.

More Information: Securities and Exchange Commission v. Keith Hunter, Civil Action No. 2:16-cv-07246 (C.D. Cal. filed Sept. 27, 2016

Video: right here.

Websites For More Information: Ex-Commonwealth Bank tech executive Keith Hunter jailed for bribery
http://www.smh.com.au/business/banking-and-finance/excommonwealth-bank-it-executive-keith-hunter-jailed-for-bribery-20161220-gtexjn.html
Whistleblower Protection Inquiry - Australian Senate
http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/WhistleblowerProtections
Every month a whistleblower wants to report misconduct - Adele Ferguson
http://www.smh.com.au/business/banking-and-finance/every-month-a-whistleblower-wants-to-report-misconduct-20161220-gtf95e.html

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