



Affidavit sparks fresh inquiries in fraud case

Author: BY BEN BUTLER
Date: 10/08/2013
Words: 477
Source: AGE

Publication: The Age
Section: News
Page: 6

Investigations into alleged multimillion-dollar frauds by Melbourne lawyers John Voitin and Simon Nixon have widened as new information comes to light, a court has heard.

As reported by Fairfax Media on Wednesday, it is alleged that Mr Voitin, his wife Clare Sowersby and Mr Nixon used a network of tax haven companies and falsified lawsuits to help financially troubled, rich Australians.

Allegations made in a case brought by farmer David Cross against contractor Giuseppe Rullo suggest "serious criminal conduct" on the part of Mr Voitin, Mr Nixon and Ms Sowersby, counsel for Mr Cross Mark LaPirow told the Federal Court.

It is alleged the lawsuits generated large claims that were then used to push through personal insolvency agreements that paid just cents in the dollar to genuine creditors.

Mr LaPirow said new avenues of inquiry had been opened by an affidavit sworn by Peter Goodin, the trustee of Mr Rullo's estate under a personal insolvency agreement that allowed him to avoid bankruptcy. The affidavit also raised fresh concerns about more than \$1.2 million claimed by Athena Commodities & Trading, a company of which Ms Sowersby is the sole director, he said.

He said these concerns included that a business deal in which Mr Rullo promised to raise \$1.5 million for Athena "to promote horticultural development in Victoria and NSW" appeared to have been signed before the company existed.

Mr Rullo's failure to fulfil his end of the bargain was the basis of a Victorian Supreme Court lawsuit filed by Mr Nixon on behalf of Athena.

Because Mr Rullo failed to appear before the court on November 14 last year, Athena was awarded default judgment of \$1.25 million, plus interest and costs.

Mr LaPirow said additional information was being sought about two companies, DAPAL Limited and Black Oak Consulting. Mr Goodin's evidence was that Black Oak Consulting provided \$100,000 to fund Mr Rullo's personal insolvency agreement, Mr LaPirow said. Company documents show Mr Voitin was a shareholder in Black Oak Consulting until last month and was last year a director of the company.

While no company named DAPAL Limited exists in Australia, Hong Kong records show a company of that name registered to the same address as is given by Athena. Ms Sowersby is not a director of, or shareholder in, DAPAL Limited.

Mr Cross has asked the court to bankrupt Mr Rullo, setting aside his personal insolvency agreement, but Mr LaPirow told Justice Jennifer Davies she should not do so until Mr Voitin, Mr Nixon and Ms Sowersby had been given an opportunity to respond to the allegations. He said the use of personal insolvency agreements, which are designed to provide an alternative to full-blown bankruptcy, "depends on the integrity of the system".

Justice Davies refused Mr Cross' request that she issue subpoenas forcing Ms Sowersby to provide information about

DAPAL Limited and Black Oak Consulting. She will hear the case next Thursday.