

ASIC sticks to its Gunns

Regulation **Andrew Darby**

ASIC says it still wants to pursue a proceeds of crime case against convicted Gunns ex-chairman John Gay, despite an Australian Federal Police decision to drop it.

The corporate regulator is turning to the Commonwealth Director of Public Prosecutions for help with the high-profile case, a Senate estimates committee was told.

“We are very focused on pursuing it,” ASIC chairman Greg Medcraft told the committee on Wednesday.

Mr Gay was fined \$50,000 in 2013 after pleading guilty to insider trading over the sale in late 2009 of \$3.09 million of the failed timber company’s shares, before they fell by 19¢ a share. Mr Gay was described by trial judge David Porter at sentencing as “being of exemplary character”, but the amount of the fine drew claims of leniency.

ASIC did not appeal. It referred the case to the AFP, which said last month it would not pursue a proceeds of crime action. AFP assistant commissioner Michael Phelan told estimates on Tuesday one of the obstacles to a prosecution was the need to satisfy a judge about the amount of a fraud, some years later.

Under questioning by Tasmanian Greens senator Peter Whish-Wilson, ASIC’s senior executive leader for markets enforcement, Chris Savundra, said the AFP was not the only agency that could pursue a conviction for proceeds of crime. “Proceeds of crime remains a live issue,” Mr Savundra said. “We are in a dialogue with the DPP in relation to proceeds.”