

ASIC hails NAB traders guilty verdict

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The corporate watchdog says a guilty finding against two former National Australia Bank traders shows dishonesty will not be tolerated.

Former NAB foreign exchange options dealers David Bullen and Vince Ficarra were found guilty on Friday of a string of charges relating to an unauthorised trading scandal that rocked the bank in 2004, costing it hundreds of millions of dollars.

Australian Securities and Investment Commission (ASIC) chairman Jeffrey Lucy said the verdicts showed those who breached their duties as company officers could cause significant damage to a company's interests.

"This result shows that senior employees who breach their duties as officers of a company can cause significant damage to the company's interests and shareholder value," Mr Lucy said in a statement.

"ASIC will not tolerate dishonest conduct by company officers, and as yesterday's decision by the jury demonstrates, the community will not tolerate dishonest conduct either."

After a five-week trial, Bullen, 34, of Eversley near Ballarat, was found guilty of 17 of 19 charges of gaining financial advantage for himself and others, along with one count of gaining financial advantage by deception.

Ficarra, 27, of North Fitzroy, was found guilty of all charges - 12 of gaining financial advantage for himself and others and one of gaining financial advantage by deception.

Victorian County Court judge Geoff Chettle remanded Bullen and Ficarra in custody to June 26 for sentencing submissions.

During the trial, the court was told the men, who had pleaded not guilty, had distorted the bank's profit and loss account by entering fictitious trades to hide mounting losses during September 2003 and January 2004.

Both said they believed the manipulation, known as smoothing, had been a common practice on the desk, and said they were acting under instructions.

Two other traders on the desk, Vanessa McCallum and Dennis Gentilin, blew the whistle on the phony trades on January 9, 2004 and the bank lost \$326 million as it closed down the losing positions.

In June last year, the former head of the desk, Luke Duffy, was sentenced to 29 months in prison with a minimum term of 16 months for his part in the scandal.

Duffy had pleaded guilty to three charges of dishonestly using his position for personal gain.

A fourth trader, Gianni Gray, was sentenced to 16 months jail in April this year and ordered to serve eight months, before being released on good behaviour.

The cases followed an 11-month investigation by ASIC.

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