



Chronology

Events related to charges against Note Printing Australia and Securrency

The following chronology sets out some key events relating to the criminal charges against Note Printing Australia Limited (NPA) and CCL Secure Pty Limited (previously Securrency International Pty Ltd) (Securrency) and the steps taken by the Reserve Bank of Australia (RBA) and the boards of NPA and Securrency to address issues arising from the use by the companies of sales agents in foreign countries. It is not a definitive list of events relating to these issues. Prior to May 2009 the boards of NPA and Securrency had taken a number of steps to strengthen processes. These are set out in a [Memorandum](#) provided to, and testimony given to, the House of Representatives Standing Committee on Economics at a special full-day hearing in October 2012 (further detail about that hearing is included below).

May 2009: The board of Securrency [referred](#) allegations raised in the media concerning the company's use of sales agents in foreign countries to the Australian Federal Police (AFP).

The AFP commenced an inquiry into the matter, which was subsequently widened to include the use of sales agents by NPA. Both the companies and the RBA cooperated fully with this inquiry.

November 2009: Both companies had ceased using sales agents. The NPA board had decided to cease the use of sales agents in June 2007 and the [Securrency board](#) suspended agent activity in November 2009.

July 2011 – September 2011: Charges were laid by the AFP, alleging that the two companies and a number of individuals engaged in conspiracy with sales agents in certain foreign jurisdictions to pay or offer to pay bribes to officials in those countries for the purpose of obtaining or retaining business.

The individuals charged were former employees of the companies, including a former chief executive officer (CEO) of each of NPA and Securrency. The charges against the companies were laid on the basis that a person or persons of sufficient seniority, such that their conduct may fairly be assumed to represent the company's policy, intentionally, knowingly or recklessly engaged in the relevant conduct.

Apart from the two former CEOs, who were members of the Securrency board (one appointed by the RBA and the other by the operation of the joint venture arrangements), no members of the boards of the companies appointed by the RBA were charged.

For further information, refer [Media Release of 1 July 2011](#).

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- August 2011:** The Reserve Bank Board established a special committee (Special Committee) to consider the appropriateness of the governance structures put in place by the RBA, as shareholder, in respect of NPA, originally a branch of the Bank but established as a separate company in 1998, and Securrency, a 50-50 joint venture between the RBA and Innovia Films BVBA (previously UCB Films PLC) established in 1996, against the governance standards for subsidiaries and/or associated companies at the relevant time.
- September 2011:** Cameron Ralph Pty Ltd (Cameron Ralph) was retained by the Special Committee, on behalf of the Reserve Bank Board, to conduct an Independent Governance Review, in relation to the following two issues for the period 1996 to the (then) present in respect of Securrency, and 1998 to the (then) present in respect of NPA:
- the appropriateness of the RBA's oversight over NPA and Securrency; and
 - any areas for improvement in respect of the (then) current oversight.
- October 2011:** Pleas of guilty were entered by Securrency and NPA in the Supreme Court of Victoria on charges of conspiracy to provide, or to offer to provide, a benefit not legitimately due with the intention of influencing a foreign public official in order to obtain or retain business with:
- in the case of Securrency, the note-issuing authorities of Indonesia (between December 1999 and February 2001), Malaysia (between October 2001 and December 2003) and Vietnam (between January 2001 and September 2004); and
 - in the case of NPA, the note-issuing authorities of Indonesia (between December 1999 and February 2001), Malaysia (between October 2001 and December 2003) and Nepal (between February 2000 and May 2002).
- November 2011:** Pecuniary penalty orders under the *Proceeds of Crime Act 2002* were made in the County Court of Victoria by consent, requiring each company to pay a penalty to the Commonwealth.
- Securrency paid a pecuniary penalty of \$19,809,772 and NPA paid a pecuniary penalty of \$1,856,710. The pecuniary penalty payment made by each company reflected agreement between the Crown and the company on the benefit obtained by the company from the contracts in question and other relevant circumstances.
- December 2011:** The Supreme Court of Victoria held a sentencing hearing on the pleas entered by NPA and Securrency.

February 2012:

The Reserve Bank Board considered the results of the Cameron Ralph Independent Governance Review of the RBA's oversight of the companies at a special session. The Review concluded that:

The Bank gave reasonable consideration as to the governance arrangements for the two companies, and put in place processes for their oversight and reporting which were broadly consistent with usual practice at the time. The Bank appointed people whom it was entitled to believe could direct the affairs of the companies with due care, diligence and skill. The Bank received regular reports both at management and board level, and responded to those reports in a considered and deliberate way.

There is evidence of the Bank taking appropriate action where the entities appeared not to be performing in line with the Bank's expectations and/or standards.

*Clearly, with the benefit of hindsight, there could have been more oversight applied to the activities of the companies, which **may** have detected earlier the alleged illegal payments. But that does not mean that the Bank's oversight at the time was inappropriate.*

The Review nevertheless made a number of findings and recommendations. The RBA accepted the findings, and has implemented the recommendations. The Review was [published](#) in February 2013.

17 July 2012:

The Supreme Court of Victoria issued its [judgment](#) sentencing NPA and Securrency and in doing so noted that NPA and Securrency had both provided a very high degree of cooperation with, and assistance to, the AFP and had cooperated fully in the penalty process (including by providing detailed financial information to, and promptly agreeing a proceeds of crime penalty with, the Commonwealth). These factors, and the early indication of an intention to plead guilty, reduced the sentences imposed by the Court.

Securrency was sentenced to, and paid, fines totalling \$480,000. NPA was sentenced to, and paid, fines totalling \$450,000.

August 2012:

John Ellery, the former Chief Financial Officer of Securrency was sentenced to six months' imprisonment, with the sentence wholly suspended. He had entered a plea of guilty on a false accounting charge in relation to the false description of a commission payment to Securrency's Malaysian sales agent.

October 2012:

The then RBA Governor [appeared](#) before the House of Representatives Standing Committee on Economics, at a special full-day hearing.

A [Memorandum](#) provided to the Committee at that hearing summarises what the board of NPA and the RBA did in response to concerns that were raised in 2007 in relation to the use of foreign sales agents by NPA and what happened subsequently.

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- November 2012:** An individual who had been a director of Securrency over the period January 2001 to September 2004 was tried in the Southwark Crown Court in London in connection with certain conduct involving business in Vietnam that was also the subject of the charge in Australia against Securrency relating to that business. This director had been appointed to the board of Securrency by the RBA's then joint venture partner in Securrency. In December 2012 a jury found him not guilty.
- December 2012:** Notwithstanding the plea entered by Securrency on the charge against it relating to business with the central bank of Vietnam, the Magistrate hearing the committal proceedings on the charges against former employees of the companies decided not to commit the relevant individuals for trial on the charges against them relating to the same business in Vietnam.
- February 2013:** The RBA agreed to sell its 50 per cent shareholding in Securrency to Innovia Films BVBA, the UK-based film manufacturer and then current 50 per cent joint venture partner in Securrency. For more on the sale of the RBA's stake in Securrency see [Media Release 12 February 2013](#).
- September 2013:** The Magistrate decided not to commit the relevant individuals on the bribery charges relating to business with the central bank of Nepal. However in November 2013 the Commonwealth Director of Public Prosecutions directly indicted those individuals on those charges.
- October 2013:** Radius Christanto, the principal of a business that was an agent for Securrency in Indonesia, who had been charged with conspiring with Securrency and others to bribe a foreign public official in order to obtain business with Bank Indonesia, entered a plea of guilty to that charge. He was sentenced to two years' imprisonment, with the sentence wholly suspended.
- July 2016:** The four former NPA employees facing charges were granted a permanent stay of the prosecutions against them by the Supreme Court of Victoria. The Crown appealed the stay decision and the appeal was heard by the Victorian Court of Appeal over a period from November 2016 to February 2017.
- May 2017:** The Court of Appeal allowed the appeal brought by the Crown, set aside the orders made by the Judge at first instance to stay the proceedings and, in their place, ordered that the stay applications made by the four former NPA employees be refused. The four individuals sought special leave to appeal this decision to the High Court.

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- October 2017:** Myles Curtis, a former CEO of Securrency, entered guilty pleas to the charges he was facing. He was sentenced to:
- 6 months' imprisonment wholly suspended for a false accounting charge relating to a payment to Securrency's Malaysian sales agent; and
 - 2 years and 6 months on a recognisance release for a single 'rolled up' charge of conspiracy to bribe in connection with public officials in both Malaysia and Indonesia.
- November 2017:** The High Court granted the four former NPA employees special leave to appeal. It heard the appeal in May 2018.
- May/June 2018:** Cliff Gerathy entered a plea of guilty to a charge of false accounting in June and July 2006 while he was a Securrency employee through false description of a commission payment to Securrency's Malaysian sales agent. He was sentenced to imprisonment for 3 months, wholly suspended for 6 months.
- November 2018:** The High Court allowed the appeal by the four former NPA employees, granting a permanent stay of all prosecutions against them. The Court held that the then Australian Crime Commission had acted unlawfully in compulsorily examining these individuals and that, in the circumstances of the case, to allow the prosecutions to proceed would bring the administration of justice into disrepute.
- November 2018:** Christian Boillot entered a plea of guilty to the charge of conspiracy to offer a bribe to foreign officials in Malaysia. In early December 2018 he was sentenced to imprisonment for 2 years and 6 months, but released on a recognisance release.

Enquiries:

Media and Communications

Secretary's Department
Reserve Bank of Australia
SYDNEY

Phone: +61 2 9551 9720

Fax: +61 2 9551 8033

Email: rbainfo@rba.gov.au