NAB CEO's Office Scandal Exposes Banking

Summary:
It is not just lack of judgement and poor governance in his own office. Rosemary Rogers also worked in Cameron Clyne's office. The real issue is this - if the CEO could not see crimes and misconduct in their own office it is not surprising that they may not have seen criminal cells working in the bank right around the country. We gave Mr Thorburn evidence of these crimes in October last year. He tried to cover it up with a dodgy mediation process ..... he will be looking for work very soon.

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Andrew Thorburn's former chief of staff allegedly rorted $500k for a holiday

The former chief of staff of embattled National Australia Bank boss Andrew Thorburn allegedly rorted more than $500,000 from the NAB to fund an extravagant overseas family holiday that included first class travel and luxury resorts.

The Age and the Sydney Morning Herald have confirmed that police are investigating whether shoddy oversight inside Mr Thorburn's office enabled and emboldened his former chief of staff, Rosemary Rogers, and a corporate event contractor to pull off a suspected multi-million dollar fraud.

Ms Rogers' overseas jaunt, which included multiple destinations and six other close family members, is the most egregious transaction being probed by NSW detectives, according to NAB sources.

Two NAB insiders have said that they both had concerns about a culture of largesse and extravagant spending that became normalised inside Mr Thorburn’s office and which allegedly centred around Ms Rogers and contractor, the Human Group.

The insiders described several offsite strategy meetings for NAB executives at luxury resorts in the Wolgan Valley, where guests arrived via helicopter, and on Kangaroo Island in South Australia. One NAB insider alleged that Ms Rogers kept a “slush fund” from which she gave staff benefits, including expensive gifts.

The police suspect that Ms Rogers and the Human Group devised a system in which they allegedly issued inflated invoices to the NAB to collect kickbacks and cover certain private expenses, including

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Ms Rogers' $500,000 overseas holiday.

The revelations about Ms Rogers comes as the NAB chief fights to retain his job after strong criticism on Monday from former High Court justice Kenneth Hayne in his banking royal commission findings.

Commissioner Hayne also questioned whether NAB chairman Ken Henry and Mr Thorburn had really grasped the gravity of the bank's misconduct.

Both Mr Thorburn and Mr Henry have vowed to improve NAB's culture, despite expressing disappointment with Commissioner Hayne's personal criticism.

On Tuesday night, Mr Thorburn was blunt about his future, saying he could not guarantee he would still be in his job on Friday. An emergency board meeting was held on Tuesday to discuss his fate and further discussions are being held this week, according to bank sources.

The Age and Herald have confirmed that NAB is aware of the police interest in Ms Rogers' overseas trip. A NAB spokesman said on Wednesday that the bank continued to co-operate with police on an inquiry which was instigated by a whistleblower report.

"If the alleged fraud is proven, it represents a most serious breach of trust by a former employee," the spokesman said.

NAB sources said there is also concern inside the bank that Mr Thorburn will be called to give evidence in any trial involving Ms Rogers, which could lead to him being examined about the fraud scandal that has enveloped his former staffer.

While there is no evidence that Mr Thorburn knew that Ms Rogers was involved in the criminal conspiracy, two NAB insiders with direct knowledge of her activities say she exploited a major corporate governance failure inside Mr Thornburn’s office.

In December, The Age revealed how Mr Thorburn took a luxury Fiji holiday and a Thermomix arranged by Ms Rogers and the Human Group.

While Mr Thorburn paid several thousands dollars towards the trip, the full cost of it and the Thermomix was ultimately passed on to NAB shareholders via inflated invoices issued by the Human Group.

Sources familiar with the case say the Human Group is suspected of issuing invoices to the NAB to make the bank cover the costs of Mr Thorburn's trip to a resort where the rooms cost between $6000 and $45,000 per night, and the Thermomix worth about $2000.

The contractor also allegedly issued inflated invoices to cover Ms Rogers $500,000 family holiday.

Dr Henry was also indirectly caught up in the scandal after NAB board documents tendered to the royal commission showed he had been quizzed at a board meeting over the first-class tickets he received that were booked by Ms Rogers. There was no allegation of wrongdoing against the former Treasury secretary.

NAB has previously disclosed a small number of "inadvertent" breaches of the company's policies by Mr Thorburn in relation to Ms Rogers activities. But it also said he had been cleared of wrongdoing by the bank's board, which according to October's board minutes is of the belief the mis-appropriation of funds had begun occurring years before Mr Thorburn's appointment as CEO.

The board cut Mr Thorburn's remuneration by 25 per cent last year in recognition of the lack of financial controls in his office and the bank's poor 2018 performance.

There is no suggestion that Mr Thorburn is involved in the alleged criminal conduct and in April he expressed anger and disappointment at the alleged corruption of his former chief of staff and the Human Group.

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NAB's conflict of interest policy which was tendered to the royal commission says: "You must exercise care in the giving and receiving of business related benefits, gifts or entertainment to/from potential and existing customers and product providers and obtain approval from your people leader above specified threshold values."

The policy adds: "You are responsible for identifying personal or business circumstances that may give rise to potential, actual or perceived Conflicts of Interest and for recording those details in the relevant Conflicts of Interest Register."

The Human Group's NSW offices were raided by NSW detectives in April 2018 for allegedly paying secret commissions to Ms Rogers in return for her help directing it millions of dollars of contracts from NAB.

It was via these inquiries that fraud taskforce detectives have also uncovered the Human Group's role in arranging a Fiji trip to the private island resort of Laucala and the kitchen appliance for Mr Thorburn.

The police probe was triggered in late 2017, after NAB received a whistleblower complaint and notified authorities. Victoria Police declined to comment.

At the time of the police raids in April, it was also revealed that Ms Rogers, a long time NAB employee and chief-of-staff to Mr Thorburn since 2014, had left the bank and was being investigated.

When the raids occurred, Mr Thorburn told staff: “If these allegations are proved to be true it is a very serious breach of trust and banking is based on trust. And I, like you, are very proud of our company and what banking stands for and these sort of allegations really hurt our reputation.”

Ms Rogers held the position of chief-of-staff for nine years, including under former chief executive Cameron Clyne, before her resignation in December last year.

Police raided her Williamstown house in December.

Websites For More Information: Source - Andrew Thorburn's former chief of staff allegedly rorted $500k for a holiday - SMH
https://www.smh.com.au/business/banking-and-finance/andrew-thorburn-s-former-chief-of-staff-allegedly-rorted-500k-for-a-holiday-20190206-p50w3h.html

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