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Former RBA and Securrency employee sentenced

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Former Reserve Bank of Australia (RBA) and Securrency International Pty Ltd (Securrency) employee Clifford Gerathy was today sentenced to 3 months' imprisonment, wholly suspended for 6 months, after pleading guilty to his involvement in dishonestly recording a payment of \$79,502 made by Securrency to its Malaysian agent Abdul Kayum in 2006. Justice Bell of the Supreme Court of Victoria stated that but for his guilty plea, Mr Gerathy would have been sentenced to 4 months' immediate imprisonment.

The payment was mis-described as marketing and other expenses and was paid to Kayum as part of his role in securing banknote contracts in Malaysia for RBA subsidiaries Securrency and Note Printing Australia Ltd (NPA). (The RBA sold its stake in Securrency in 2013.)

Mr Gerathy is one of several Securrency and NPA employees who became the subject of a criminal investigation by the Australian Federal Police (AFP) in 2009, after a referral from Robert Rankin, Assistant Governor of the RBA and Chairman of Securrency.

Codenamed Operation Rune, the AFP carried out a two-year probe into an alleged international bribery racket involving overseas politicians and government officials.

Mr Gerathy was first charged in 2011 as part of a coordinated international operation. Seven years later, in May 2018, he pleaded guilty to a charge of false accounting.

Mr Gerathy was convicted of having acted "without any belief that Aksavest [Kayum's company] was legally entitled to make a debit note describing costs payable as related to marketing and other expenses in the amount of \$79,502.00."

The matter was prosecuted by the Commonwealth Director of Public Prosecutions.

AFP representative Acting Commander Kate Ferry, Manager Criminal Assets, Fraud and Anti-Corruption stated that "this case sends a clear message that investigators and prosecutors are actively pursuing this type of crime to ensure that corporations and their employees are held accountable."

Operation Rune was the first Australian investigation resulting in foreign bribery charges. Seven people have now been convicted in Australia of foreign bribery offences. The foreign bribery offence was introduced in 1999 and convicted individuals face a maximum of 10 years' imprisonment and/or a \$2.1 million fine.

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Summary of charges:

Clifford Gerathy was charged with one charge of false accounting, contrary to section 83 of the Crimes Act 1958 (Vic).