



## Australian Citizens Party

Craig Isherwood, National Secretary

PO Box 376, COBURG, VIC 3058

**Phone:** 1800 636 432 **Email:** [info@citizensparty.org.au](mailto:info@citizensparty.org.au) **Web:** [citizensparty.org.au](http://citizensparty.org.au)

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### MEDIA RELEASE

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## Westpac's money laundering is another KPMG crime caper

*KPMG wants to jail Australians who use cash—supposedly to combat the 'black economy'—but the disreputable global accounting giant dominates the board of money-laundering machine Westpac.*

Westpac is arguing with the anti-money laundering (AML) authority AUSTRAC over whether responsibility for the bank's money laundering crimes lies with the board and senior executives, or middle management, according to *The Australian* on 9 December.

There should be no argument, however—if any board should ever be held responsible for corporate crimes, it's this one.

That is because Westpac's board is dominated by partners from global accounting and auditing giant KPMG, who are supposed to be the experts in ensuring corporations comply with proper AML controls and procedures.

Chairman Lindsay Maxsted was a partner at KPMG and its CEO from 2001 to 2007. Peter Marriott, who chairs Westpac's audit committee and is a member of the board's risk and compliance committee, was a banking and finance, audit and consulting partner at KPMG Peat Marwick back in the 1990s. And Peter Nash, who is a member of the board's audit committee, and risk and compliance committee, was a senior partner at KPMG until 2017, having been a KPMG partner for 24 years and national chairman since 2011, and a member of KPMG's global board. Nash is touted as the next Westpac chairman.

With this kind of auditing expertise, the Westpac board should have no excuse for the 23 million breaches of AML requirements, but it's even more serious than that.

### Money laundering repeat offenders

In truth, KPMG has a history of complicity in large-scale black economy crimes, including money laundering and tax evasion, which should be a red flag for Australian regulators and law enforcement.

KPMG are experts in covering up money laundering crimes. They were the responsible auditors in two of the biggest money laundering scandals in recent history, which involved British banking giants HSBC and Standard Chartered.

In 2012 US authorities charged both banks for separate money laundering offenses: Standard Chartered for laundering money and breaking US sanctions; and HSBC for laundering money for vicious drug cartels and terrorists. HSBC was fined a record US\$1.9 billion, while Standard Chartered was eventually fined US\$1.1 billion in April 2019.

Westpac director Peter Nash was on the global board of KPMG when the HSBC and Standard Chartered money laundering scandals were exposed in 2012, which raises the question: why weren't he and the other KPMG-associated directors especially attuned to watch out for money laundering breaches? Especially after the CBA saga two years earlier?

KPMG's involvement in yet another criminal banking scandal should cause Australian authorities to take stock of the pervasive influence it and the other three global auditing firms—EY, PwC and Deloitte—have over the entire financial system.

The Parliamentary Joint Committee on Corporations and Financial Services is currently conducting an inquiry into the "Regulation of Auditing", which has highlighted the conflict of interests of the Big Four auditors earning consulting fees from the companies they also audit, corrupting the integrity of the auditing process. As the Big Four audit 98 per cent of the big banks and multinational corporations in Australia and most of the world, this has serious implications for the integrity of the reporting of the true state of the financial system—all of the large banking failures in the 2008 financial crisis came after audits by the Big Four firms gave those banks clean bills of health.

The Big four also earn huge fees from consulting to the government.

Labor Senator Deb O'Neill has pointedly questioned the big banks and big auditors over their conflicts

of interests, which has been heartening to see from a member of one of the major parties. But if Senator O'Neill is genuine about cleaning out the corruption in the financial system, as she seems, she should question her own boss, Anthony Albanese, whose newly appointed Policy Director Andrew Dempster is also from KPMG.

## Cash ban

Given its disreputable background, it is farcical that KPMG is aggressively leading the push to ban the use of cash in Australia to combat the so-called "black economy" (which KPMG wants the world to believe is a blue collar, as opposed to white collar, problem):

- KPMG is the coordinator of the Reserve Bank-initiated New Payments Platform (NPP), involving all the major banks, which seeks to push all Australians into electronic transactions where they won't be able to escape bank fees or surveillance.
- The late former global chairman of KPMG, Michael Andrew, chaired the Black Economy Taskforce that hypocritically smeared blue-collar tradies, hairdressers, gardeners, personal trainers and nannies as "the problem" when it comes to tax evasion—despite white-collar KPMG's involvement in tax evasion in the multi-billions—and recommended a ban on cash transactions over \$10,000 to "Move people and businesses out of cash and into the banking system, which makes economic activity more visible, auditable and efficient." Andrew also advocated the cash ban to "monitor and measure" people's activities.
- Since the government first announced its adoption of the Black Economy Taskforce's recommendation of a \$10,000 cash ban, KPMG has repeatedly lobbied to reduce the limit to as low as \$2,000—which would clearly benefit its clients in the banks and RBA—and for aggressive early enforcement of the ban with jail terms to make an example of offenders.
- Bizarrely, the Uniting Church is one of the few enthusiastic supporters of the cash ban, but it is also heavily influenced by KPMG, which audits the church and its financial institutions, and has a number of ex-KPMG people holding key church financial offices.

(Studies show KPMG's agenda is based on a lie, as [Australia has a small and shrinking black economy](#). Banning cash will only serve to trap Australians in the banking system with no financial privacy, and unable to escape extreme policies including negative interest rates and [bail-in](#) that will see bank customers lose money to prop up banks.)

KPMG and its fellow Big Four firms are at the centre of the corruption and criminality that permeates Australia's financial system. It's time to clean out the mess, starting with demanding Parliament pass the bill that Bob Katter MP introduced on 2 December, the [Australian Banks \(Government Audit\) Bill 2019](#), directing the Auditor-General, instead of KPMG et al., to conduct a thorough audit of Westpac and the other major banks.