



CDPP

Australia's Federal Prosecution Service

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MEDIA RELEASE

Victorian accountant sentenced for illegal investment schemes

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Victorian man, Mark Ronald Letten was sentenced to five years and eight months imprisonment on 14 August 2014 in the Melbourne County Court following prosecution by the Commonwealth Director of Public Prosecutions (CDPP).

In January 2014 Letten had pleaded guilty in the County Court of Victoria to 27 offences under the Corporations Act 2001.

From 1999 to 2010, Letten, the former director of LGH Holdings Ltd and accounting firm Lettens Pty Ltd, operated 21 unregistered property-related managed investment schemes. Over 900 investors lost more than \$67 million in the 11 years of the schemes operation.

Letten also carried on an unlicensed financial services business, and was found to have dishonestly directed the diversion of over \$500 thousand deposited by four investors for specific investment purposes to other purposes.

In handing down sentence, His Honour Judge Michael McInerney found that the financial structure of the Letten business was the substantial cause of the losses to investors, and that "Mr Letten was, in reality.... on a downward spiralling economic frolic whereby he had taken grave structural risks with each of the individual managed investment schemes by way of commingling of assets, failed to effect the regulatory safeguards, which would have applied if each of the schemes had been registered."

The CDPP prosecution arose from an investigation by the Australian Securities and Investment Commission (ASIC). Letten's companies and unregistered schemes were wound up following a number of applications by ASIC in the Federal Court of Victoria.

Further information about the CDPP's prosecution of commercial offences is available at <http://www.cdpp.gov.au/crimes-we-prosecute/commercial/>

Background

Letten was charged with and pleaded guilty to the following offences:

- 21 counts of operating an unregistered managed investment scheme, contrary to sections 601ED(5) and 1311(1) of the Corporations Act 2001
- One count of carrying on a financial services business without a licence, contrary to sections 911A and 1311(1) of the Corporations Act 2001
- Five counts of dishonestly using his position as company director contrary to section 184(2)(a) of the Corporations Act 2001.

The CDPP has specialist commercial prosecutors who deal with commercial offences, such as insider trading, stock market manipulation and breach of duty by company officers as well as fraud offences under State or Territory law. These are serious offences for which deterrent penalties, including actual imprisonment, are often sought and imposed. Complex commercial crime can be difficult to detect, difficult to investigate and difficult to prosecute.

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