

Media Release
6 May 2010

PGF demands prosecutions and trustees to repay money

The Problem Gambling Foundation of New Zealand (PGF) says that the Gambling Commission's decision to suspend the licences of two gaming machine trusts is not nearly enough.

PGF believes that the trustees of The Trusts Charitable Foundation (TTCF) must be prosecuted for making payments described by the Secretary of Internal Affairs as 'inappropriate and unlawful'.

TTCF has had their licence suspension increased after the Gambling Commission upheld the decision by the Secretary of Internal Affairs. This decision was made after questioning the payment of over \$500,000 to a trustee for fees and expenses and whether over \$18,000 in trustee entertainment expenditure was fair and reasonable.

Graeme Ramsey, CEO of the Problem Gambling Foundation, says trustees must be held individually accountable when they have been clearly shown to have acted inappropriately with public money.

Over \$18,000 in 17 months was spent by TTCF on entertainment expenses for trustees, the majority of which was for food and alcohol. The Commission reported that in many cases there were no invoices.

"Given that there are only five trustees this is an excessive amount. The trustees have fed off the misery of others and should be made to pay the money back. There are lots of community groups for whom this amount of money would have made a massive difference," Graeme Ramsey says.

The Commission decision showed that TTCF has paid one of their trustees more than \$500,000 to persuade venues with high turnovers to join their trust.

Graeme Ramsey says this ignores the requirements of trusts to maximise their return to the community.

"That \$500,000 should have gone to community groups. That such a huge sum of money was paid to a trustee or his company is 'gobsmacking'," he says.

The Trust defended themselves to the Commission by saying that such practices were rife within the Sector but Graeme Ramsey says that is no excuse.

"I think New Zealanders would be horrified to see this approach with public money," he says.

The DIA were reported as saying that 30 of the country's 50 trusts had similar issues of non-compliance.

Graeme Ramsey says "How we can trust these trusts? The number of snouts in the trough of this public money is shameful. This is money that is supposed to be going to community purposes not into the pockets or stomachs of trustees."

In another decision released yesterday the Southern Trust is shown to have spent 'unnecessary and unreasonable' money on refurbishing venues.

"Money which should have gone to a local kindergarten has been spent on 'tarting up' the Mermaids Strip Club on Courtney Place," Graeme Ramsey says.

"Once again we are presented with overwhelming evidence that this system needs an urgent overhaul. The Gambling Commission decision makes it clear that the misuse of public pokie money has been going on for many years. Trusts need to be accountable. They deal with public money. If they fail to act lawfully and responsibly they ought to be prosecuted."

Ends

To view NZ Gambling Commission's decisions click on link:

http://www.gamblingcommission.govt.nz/GCwebsite.nsf/wpg_URL/Decisions-2010-Decisions!OpenDocument

For further information please contact:

Graeme Ramsey
CEO
Problem Gambling Foundation of New Zealand
Ph (09) 369 0606 or 021 829 596