

# The Sydney Morning Herald

Business

## The bankrupt CEO and one 'hell of a secret'

The financial affairs of Andrew Cranswick are complex to say the least, writes Ben Butler.

November 24, 2010 – 3.00am

---

ANDREW Cranswick is not your typical bankrupt. In Zimbabwe, his home country, he is fighting the brutal regime of Robert Mugabe for the right to mine diamonds. In London, he is the chief executive of a listed resources company. His former wife is in Perth, as is his bank account and his yacht club membership. His income comes from Mauritius.

And then there's the "hell of a secret" African precious metals trading, not to mention the former business partner who stole a helicopter.

The financial affairs of Cranswick, bankrupted by the Taxation Office last month over a \$1.1 million tax bill, are complex to say the least. They revolve around a company called Adonis Investments, originally run from the British Channel Islands but now based in Mauritius.

Adonis holds some of Cranswick's 2.7 per cent stake in London Stock Exchange-listed African Consolidated Resources, where Cranswick is still chief executive, despite the Australian bankruptcy order.

But during an interview with ATO investigators in April last year - before he left Australia, never to return - Cranswick explained that Adonis does much more than just hold his stock and collect his wages.

A transcript of the interview, tendered in evidence by the ATO as part of Federal Court bankruptcy proceedings, shows Cranswick said Adonis also acted as a means of avoiding strict African currency exchange controls while trading currency and precious metals between African nations and Dubai.

"Obviously to those authorities, it's got to be a hell of a secret," Cranswick told ATO auditors Robert Dimitrovski, Glenn Lucy and Adriel Creta. Metals were "traded on quite a large scale", he said. "Mostly silver and gold and a bit of cobalt and copper ... where the broker was ... a legit firm, a big firm in Dubai called ARY - ARY Refineries, if you want to put that down."

This appears to be a reference to one of Dubai's biggest gold traders, ARY Traders, run by Pakistani businessman Abdul Razzak Yaqoob.

"They don't know Zambia, Zimbabwe, Congo, Mozambique, and how to find people and how to operate on the ground," Cranswick told ATO investigators.



Andrew Cranswick is fighting in Zimbabwe to mine diamonds and has an income that comes from Mauritius.

"It's - for people who have never been there - it's quite nerve-racking."

In addition, Adonis acted as a nominee company for an additional "30, 40, 50" people, Cranswick said.

He said he reaped a 25 per cent share of any profit from business he introduced to "the guy who runs it", Tony Csaszar, a Mauritian or South African resident.

---

### ***One of the guys stole a helicopter in the middle of the whole thing.***

"If there's a transaction - let's say someone in Zimbabwe says, 'OK, listen. I need to get money out of the country,' I introduce them to Tony," Cranswick said.

"I say, 'This is the chap. He wants to send it to the UK,' or Australia or whatever the case may be, and then Tony negotiates with him.

"OK? And he copies me in on what he's done."

Investigators also grilled Cranswick about his investment in a West Australian cattle station, Moola Bulla. He was part of a syndicate that bought the station for a reported \$18 million in 2001

after a sale to Fitzroy Crossing cattle baron Peter Camm fell through because he was facing charges of cattle stealing (Camm was later given a four-year suspended sentence).

The Moola Bulla deal was initially put together using a complex structure devised by Perth tax adviser Greg Dunn, a target of Operation Wickenby, the federal government taskforce investigating offshore tax evasion.

Cranswick's then lawyer, Peter Lark, told investigators that Perth lawyer Michael Lurie, whose name is misspelled in the transcript as "Louie", was also involved.

"There's an email on my files from Michael saying, 'We haven't yet worked out how the money comes back,' whatever that means," Lark told investigators.

Lark said he advised Cranswick and the other investors "to abandon the arrangement. And my advice was to pay the fee and get away from it, which they did."

He said the group, which eventually sold out to Great Southern in 2006 in a deal reportedly worth more than \$30 million, "had their own internal problems".

"One of the guys stole a helicopter in the middle of the whole thing," Lark told the ATO investigators. "He went to jail."

Lark, who according to court documents no longer represents Cranswick, told BusinessDay he could not comment because of legal ethical rules.

Cranswick told investigators he was a resident of Zimbabwe, but had not paid any tax there because the system had

"completely broken down" due to hyperinflation.

He said he had paid some tax in Britain but had not paid Australian tax since 2004, because he was not an Australian resident.

The ATO wanted more information, and in an email to the ATO's Glenn Lucy sent in June last year, Cranswick said he had started compiling documents requested by investigators, many of which were in Africa.

He said he was leaving for Africa late the following night, June 9, and asked Lucy to ensure "that there are no impediments to my exit at Immigration and Customs".

During his interview Cranswick had said he would be "coming back on June 22 for at least 10 days".

He has not since returned to Australia.

Despite his absence, Perth Federal Court Justice Neil McKerracher ordered him bankrupted on October 27, appointing Anthony Warner of CRS Warner Kugel as trustee in bankruptcy.

Cranswick has yet to respond to BusinessDay's questions.