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FRANK ANTHONY PUGLIESE GUILTY OF FRAUD

Frank Anthony Pugliese the sole director of FMI Asia Pacific Pty Limited (formerly known as AMA Group Pty Limited) (FMI), and ITEC Holdings Pty Limited (ITEC), was today found guilty on 10 fraud charges in the NSW District Court.

The charges arose from a joint task force investigation between the Australian Securities and Investments Commission (ASIC) and the NSW Police Service's Commercial Crime Agency and involved eight investors being defrauded of approximately \$625,000.

The investigation commenced following a number of complaints from disgruntled investors relating to the manner in which Mr Pugliese, using FMI and ITEC, had raised funds in excess of \$4 million on the promise of returns of up to 10 per cent per quarter.

After representing to investors that their funds were to be invested in high yielding investment projects the funds were almost immediately spent on the running of Mr Pugliese's businesses, including the lease payments of a Ferrari. Substantial payments were also made to a builder for improvements to Mr Pugliese's home at Drummoyne.

ASIC previously obtained orders from the Federal Court appointing John Lord as receiver of FMI and ITEC and trustee of the property of Mr Pugliese.

On 18 December 1998, ASIC obtained orders from the Federal Court that FMI and ITEC be wound up.

Mr Pugliese's bail was continued and the matter was stood over for a sentence hearing on 13 October 2000.

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