

## Victorian Liberal Party investigating \$2 million missing after election campaign

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- From: Herald Sun
- August 20, 2015 10:25AM

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Victorian Liberals Leader Matthew Guy says the party wants its \$2 million back.

Source: AAP

**UPDATE: VICTORIAN Leader Matthew Guy says the disappearance of up to \$2 million from party coffers is a “huge blow”, as party president Michael Kroger says the money was used to “fund lifestyles”.**

Mr Guy confirmed former state director of the Liberal Party Damien Mantach has been questioned by the party about the missing funds, which is alleged to have vanished over the past four years.

The *Herald Sun* can reveal a forensic audit has uncovered irregularities in invoices lodged with the party for expenses, including for those incurred during the November 2014 election loss.

The matter has been under investigation internally for some months and it is believed the Liberal Party will today hand its initial investigations over to Victoria Police for a formal investigation.



Damien Mantach.

Source: News Limited

When the *Herald Sun* put the allegations to Mr Mantach last night, he said: “no comment.”

It is understood he has co-operated with the internal investigation and met with Liberal Party lawyers yesterday afternoon.

The alleged irregularities were uncovered after Mr Kroger raised concerns about apparent overspending on last year’s state election campaign.

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(<http://www.heraldsun.com.au/news/opinion/opposition-frontbench-hiding-in-the-shadows/story-fni0fh8t-1227490363954>)

This is understood to have focused heavily on the spending incurred on communications.

The story was broken exclusively at 9.41pm on heraldsun.com.au.

Mr Kroger today said the funds were spent on lifestyle and some of it invested.

“(It was) nothing particularly outrageous, just people funding their lifestyles.”

Mr Kroger said the party will be “recovering a good deal of the funds in a co-operative relationship with the person involved”.

“We will be taking the matter to police and we will be leaving it with them.”

Mr Kroger said checks and balances to ensure this sort of thing didn’t happen had “clearly failed”.

“It is a profoundly disappointing thing to have happened,” Mr Kroger said.

“It should have been picked up before and it wasn’t unfortunately.”

Mr Kroger said when the irregularities were uncovered it was dealt with “firmly and immediately”.



Victorian Liberal Party president Michael Kroger.

Source: News Corp Australia

Mr Guy said the party was “furious”.

“We want our money back and this is going to go to the police,” Mr Guy said.

“Our MPs, our branch members, our supporters, are no doubt going to be absolutely furious at this. And rightly so. We are furious ... we want justice done.”

The funds were meant to be used for campaigning at the November election, and could have made the difference between an election win or loss, Mr Guy said.

“You’re talking a very significant portion of the money raised by the party in fundraising means appears to have been embezzled,” Mr Guy said.

“People did a lot of work to get that.

“We all feel completely gutted.”

Former premier Denis Napthine, who led the Liberal party to defeat at the 2014 election, said the police needed to be involved.

“I’m surprised, I’m shocked, I’m bitterly disappointed,” Mr Napthine said.

Deputy Liberal Leader David Hodggett today said the party wanted “justice done”.

“We want our money back ... police will investigate and I think that’s all I should say at this point in time.”

Liberal party members were staying tight-lipped outside the headquarters in Exhibition St today.

Liberals’ Victorian branch treasurer Andrew Abercrombie left the building shielding his face with a briefcase while others refused to speak to the media.

Prime Minister Tony Abbott has refused to comment on the scandal saying “it’s just a matter for the Victorian division”.

The *Herald Sun* understands the forensic accounting firm PPB Advisory was called into Liberal Party headquarters at 104 Exhibition St and uncovered allegedly fraudulent invoices.

It is alleged that some of the invoices may have been made out to a company which did not exist.

PPB conducted a forensic examination of a number of computers at 104.

Questions are being raised about why the party's administrative committee – effectively the board of directors – allegedly failed to notice the apparent diversion of funds.

The administrative committee was informed about the audit findings on Monday and sought a meeting with Mr Mantach.

His lawyer is understood to have met the committee to discuss the allegations.

In a historic loss, Mr Napthine's Coalition Government was defeated by Daniel Andrews' Labor after just one term on November 29 last year.

Mr Mantach left his post on March 13 this year, after Mr Kroger promised changes to the party's administration following the election loss.

He joined the Victorian secretariat in 2008 as deputy director, having previously been director of the Tasmanian branch of the Liberal Party.

He became state director in March 2011.

Mr Mantach was one of the senior Liberals figure who was covertly recorded during the secret tapes scandal in March 2013, a bombshell that led to Ted Baillieu resigning as premier.

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