

# Betting agency misled, say staff

**Michael Bachelard**

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STAFF of a Melbourne sports betting agency have claimed the company's managers deliberately misled regulators as it spiralled towards liquidation last month.

Almost 13,000 punters stand to lose up to \$3.2 million after Sports Alive, which is registered in Canberra but based in Melbourne, appointed liquidators on August 25. The figure includes \$2.6 million in payouts not made to winners as well as \$600,000 held in "wagered open bets" - money held by the agency for punters placing long-term wagers, for example a bet at the beginning of the AFL season on who will win the AFL grand final.

Liquidator Hamish MacKinnon of Bent & Cogle said agency staff were also owed \$300,000 in unpaid superannuation and the \$250,000 the company was required by law to hold as a buffer was funded by a loan from Bank of Queensland.

Company records show that, two days before the liquidation, two Melbourne directors of Sports Alive, racing identity Danny Finley and lawyer Colin Hiles, suddenly quit the board. Mr MacKinnon also said that around the time of the liquidation, a loan by Mr Finley to the company was taken over by another finance group.

Mr Hiles could not be contacted, Mr Finley did not return calls, and neither did his business partner and former Sports Alive director Gary Gray. Sports Alive chief executive Stephen Chant also did not return calls.

Mr MacKinnon said the company had made losses in the past two years, and he was investigating whether the company had been illegally trading while insolvent.

Alex Bailey, who ran the company's Canberra call centre, said that long before the liquidator came in customers were not being paid their winnings.

"At the end, people had been waiting up to six weeks ... I had clients threatening to come in to the racecourse to cut my f---ing legs off and slit my f---ing throat," Mr Bailey said.

Even though no money was being transferred to punters' bank accounts, staff have confirmed that company managers were falsely marking customers' betting accounts as "paid".

Mr Bailey said he believed this was being done to trick the ACT regulator, the Gambling and Racing Commission.

Three other staff members, speaking anonymously, have backed Mr Bailey's stories.

A Gambling and Racing Commission spokesman said the commission was "undertaking inquiries in relation to Sports Alive at the time it went into liquidation", but could make no further comment.

The company was at one stage a takeover target for government betting agency Tote Tasmania, which looks to have lost its \$3.88 million investment.

Tote chief executive Craig Coleman said he regretted the investment. "I don't know that there was any campaign of hiding things, I certainly wouldn't go that far, but I do have concerns about management practices."

Read more: <http://www.theage.com.au/victoria/betting-agency-misled-say-staff-20110903-1jri1.html#ixzz1X2HKj74I>