



Adelaide lawyer accused of stealing \$850,000 as part of deceased estates 'sham'

By court reporter Rebecca Opie

Updated Tue 10 Jul 2018, 4:45pm

An Adelaide lawyer has gone on trial in the District Court accused of stealing \$850,000 from deceased estates and fabricating documents to cover his tracks.

Stephen McNamara, 63, who ran a law firm called Commercial and General Law, was arrested in February 2015 after police raided his law firm and seized computers and documents.

He was charged with 17 counts of theft — alleged to have happened between November 2011 and July 2013 — and 16 counts of using fabricated evidence.

In his opening address, prosecutor James Slocombe told the court Mr McNamara was approached by the executor of two deceased estates and the funds were transferred to the law firm's trust account.

"On the prosecution's case Mr McNamara abused the trust that was placed in him and instead of honestly and diligently holding onto the estate funds as he was suppose to do, he took the money to use for his own purposes," he said.

"He used a well-sophisticated and dishonest system involving sham investments to companies to make it look like the money was being carefully invested for the benefit of the two estates."

"What the accused was really doing was not investing the money, it was all a sham."

It is alleged Mr McNamara was moving the money out of bogus investment accounts and into a number of other bank accounts which he used to pay for personal expenses including mortgage repayments.

The court heard when the beneficiaries of one of the deceased estates became fed up with Mr McNamara's "excuses and delay tactics" about why they had not received their share of the will, they made a complaint to the Law Society of South Australia.

"They weren't receiving their entitlement because Mr McNamara had used it all, the money was gone," Mr Slocombe said.

"What they did receive was a run-around, excuse after excuse, delay after delay."

The court heard the Law Society appointed a temporary supervisor to Mr McNamara's law firm while they investigated his practice.

As a result, Mr McNamara launched legal proceedings in the Supreme Court against the Law Society, challenging its decision.

On the prosecution's case, Mr McNamara then fabricated documents, including investment certificates, to cover his tracks and make it look like the estate funds had been properly invested.

"Those bogus documents were designed to hide the true nature of what happened to the estate funds and they were in effect an attempt to seemingly legitimise what were really sham investments," Mr Slocombe said.

It is further alleged that he enlisted the help of his associate, Philip John Pitman, 53, who stands co-accused in the trial of one count of using fabricated evidence.

Craig Caldicott, who is representing Mr McNamara, said that the court would hear evidence about how funds placed into a lawyer's trust account do not earn interest.

"If monies are to remain in a trust account for a long period of time, there can be an obligation of lawyers to invest that money out of the trust account into an investment body whereby interest can be earned," he said.

The trial before Judge Paul Muscat and a jury is expected to run for two weeks.

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PHOTO: Stephen McNamara was arrested in February 2015. (ABC News: Rebecca Opie)