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## The secret life of Newcastle accountant Ray Walker from clients who considered him a friend



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 **FRAUDSTER:** Newcastle accountant Ray Walker gained the trust of dozens of his clients over decades and stole \$10 million from them.

**FROM** the beginning, there was nothing particularly clever about Ray Walker's fraud.

It was a simple Ponzi scheme, where early investors were paid bogus profits with the money put in by later ones.

At last count, Walker's 70 known creditors were more than \$10 million out of pocket.

Walker's victims, the majority from the Hunter, are mostly ageing retirees and pensioners, middle-class people who saved a lifetime to build nest eggs and superannuation funds, only to have it stolen by a man many described as a friend.

As a trusted accountant who knew his victims for decades, Walker was a most convincing financial fraudster, which made him all the more dangerous.

The father of three and grandfather of seven owned a long-running Newcastle accountancy firm that gave him contacts and credibility.

His membership to the Australian Institute of Chartered Accountants gave him professional respectability. For some, his “Christian credentials” did the rest.

Like Don Boehm, many of the people who invested with Walker met him through the Seventh Day Adventist Church at Cooranbong.

Some were old school and family friends, others used Walker as their accountant for decades, they thought of him as “trustworthy”, “reliable” and “a good bloke”.

One extended Lake Macquarie family is owed more than \$1.3 million collectively. Mr Boehm, who considers himself “one of the lucky ones”, has lost \$135,000.

 UNHAPPY: Jim Todhunter, who lost \$200,000 in a Carrington property scam run by dodgy Newcastle accountant Ray Walker, wants to know how the \$10 million that Walker stole from 70 victims could simply disappear. Picture: Marina Neil

“The level of betrayal is unbelievable,” he said. “He ripped people off for decades and everyone thought he was a top fella.”

All the while Walker kept charge of his victims’ financial records, assuring them their money was safe in “pooled investment funds” held at major banks or in “blue-chip” real estate deals.

As simple as Walker’s scam was, tracing the missing millions has been anything but easy.

Two and a half years after Walker’s suicide from a stab wound to the heart in his \$1.3 million beachfront holiday unit at Soldier’s Point, his corporate undertaker is still sifting through the wreckage.

No one is yet to know where all the money went. A four-day public examination into Walker’s financial affairs will be held in Sydney’s Federal Court next year.

Witnesses, including Walker’s son Brett, who is also an accountant and worked alongside his father for more than 25 years, will face a public grilling.

Walker’s widow Jennifer, lawyer daughter Sarah and his longtime personal assistant Gayle Wheatley will also be questioned under oath.

Rob Brook, of Newcastle Legal, who represents 30 of Walker’s victims described the case as “heart breaking”.

He said Walker’s clients had “every right” to trust him. He was their accountant.

“Ray could look these people in the face, people he’d known for a lifetime in some cases, and just barefaced lie to them,” he said.

“He did it over and over and over again without flinching.”

Walker’s suicide was precipitated by a bruising nine-page legal letter from Mr Brook sent in July 2015 demanding the return of an elderly client’s retirement funds of more than \$650,000.

The point of the detailed letter was clear. Walker was facing fraud charges and jail time if Mr Brook’s client, described as a “patient, conservative and non-greedy investor”, did not get her money back.

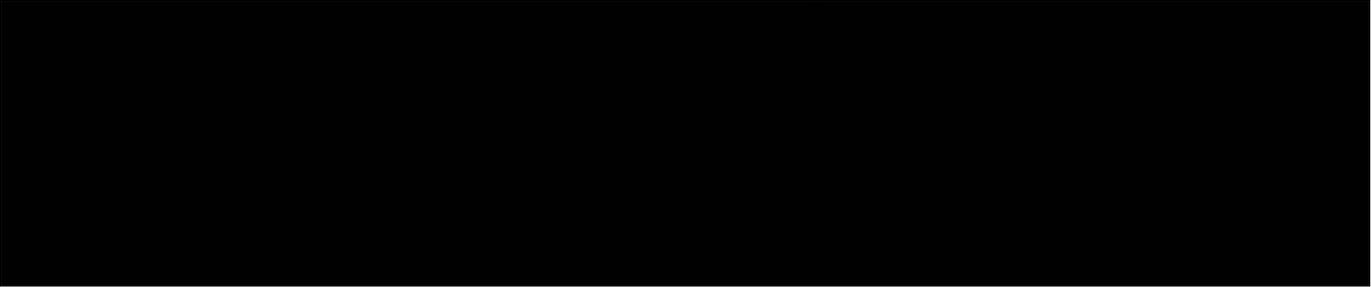
There is no doubt from the contents of the letter, which was copied to Walker’s son Brett, that Mr Brook had the goods on Ray Walker.

His house of cards was on the verge of collapse and Walker took his own life 10 days later.

While no one besides Walker knows what was fact and fiction in the financial schemes he peddled - the harm done by his deception is all too real. Lives have been destroyed.



**Jim Todhunter, of  
Hamilton, talks about his  
dealings with his former  
accountant Ray Walker**



■ Jim Todhunter who lost \$200,000 after investing with his longtime accountant Ray Walker.

Couples, some happily married, found themselves facing separation. Families have been torn apart with guilt and anguish. Husbands and wives, parents and children blamed each other and themselves for being conned. The sting was exceptionally harsh in many cases where trusting investors urged their family and friends also to put their money with Walker.

Investors were promised returns of up to eight per cent. To this end Walker sent out “annual investment statements”.

The reality was, of course, that it was a giant Ponzi scheme. A percentage of the investors asked for, and received, interest cheques.

The rest were persuaded by Walker to roll over their money. He spent millions on a failed Adelaide property development, used some to make interest payments to keep the scam running and the rest simply disappeared.

Lake Macquarie carpenter Richard Galloway invested more than \$300,000, his entire retirement savings, in a “pooled investment” fund that Walker said would receive a higher interest rate on deposit with one of the big banks.

But after being diagnosed with an asbestos disease in 2014, Mr Galloway went to Walker and asked to withdraw his money. The 59-year-old wanted to take some holidays with his wife while his health was good.

“Ray leaned back in his chair and said with my health the way it was we had to have the money somewhere safe,” Mr Galloway said. “He told us we shouldn’t move it, that it was safe with him.”

The Galloways now face having to sell the family home.

Mary and Jim Todhunter, of Hamilton South, lost \$200,000. Like others they invested in one of Walker’s “blue-chip” commercial property investments, the Cosmopolitan Hotel in Carrington, promising annual returns of 5.2 per cent.

Mr Todhunter, a Newcastle taxi owner-driver, invested \$100,000 from his super and another \$100,000 on behalf of his daughter who has autism.

 Brett and Renee Walker

“It was money left to my daughter from her grandfather,” he said. “I went to Ray who had been my accountant for 31 years and asked him where is somewhere I can put this where it will get some interest for the future.

“Walker told me he knew just the thing.”

Walker’s victims are hoping that bankruptcy trustee Ray Tolcher, a forensic accountant, tasked with sifting through 80 boxes of files can trace the money trail.

They are demanding answers from the Walker family, especially Brett who declined to be interviewed. Father and son were in partnership in the accounting firm until a 2008 restructure saw them working from the same office but as separate legal entities.

A key man insurance policy the pair had in place meant that after Ray Walker’s suicide his estate was paid more than \$700,000 and Brett took Ray’s clients. He went on to establish Active Accounting Group.

Angry creditors have written letters to Walker's wife of more than 40 years, Jennifer, pointing out that "your children and their partners hold very substantial property holdings, numerous companies and large shareholdings in companies".

One letter reads: "Right at this moment we are driving around in a 1994 vehicle that breaks down, we are sitting on a 35-year-old lounge and trying to sleep on a 25-year-old mattress, we do not go out for meals, the movies or entertain as we cannot afford it."

It goes on to state that "Ray was referred to as 'the banker' when Ray and his children were together at house auctions buying investment properties".

Mrs Walker, who held property assets in her name, told creditors she had little knowledge of her husband's business and knew nothing of the fraud.

 Ray Walker in Cooranbong in 1963.

Brett Walker's wife Renee, a dietitian, has a significant property portfolio. But no doubt the family's biggest single asset is about \$4 million worth of shares in Newcastle founded sports-betting company, TopBetta.

RBW Nominees, a company formerly run by Ray Walker, then Brett Walker until he resigned as director in 2013 when he was replaced by Renee, was in late 2015 the largest shareholder in TopBetta. Creditors want to know where the money to invest in TopBetta came from.

"We want to see proof that none of the money that was invested with Ray and disappeared, made its way into any other projects owned by the Walker family," Mr Todhunter said.

Brett Walker told Fairfax Media he was "cooperating" with the court-appointed trustee's investigation and it was not appropriate to discuss the matter further.

He previously told The Australian newspaper that he knew nothing about the fraud and did not benefit from it. He said he had proof that no money from investors crossed over to his family.

Mr Tolcher said he had found no evidence that funds from creditors had made their way to Brett Walker or his family.

Of the files he received from the estate, Mr Tolcher said “they weren’t very well organised” and he didn’t know if they were complete.

“If anyone can help us recover funds for creditors I’d be very happy to hear from them,” he said.

Since his death it has emerged that Ray Walker weathered several investigations by regulatory authorities, that Brett Walk said he knew nothing about.

In the early 1990s the Company Auditors and Liquidators Board cancelled Ray Walker’s registration as an auditor and he was also banned from managing a corporation for five years in 1991.

Peter Hicks, a retired chartered accountant, told The Australian he had raised concerns about Walker in the late 1980s as an official liquidator of a building supplies company on the petition of the ATO.

Police issued search warrants and identified Walker was laundering money with cash payments to miners.

The Institute of Chartered Accountants issued a formal reprimand of Walker.

Do you know more? [donna.page@fairfaxmedia.com.au](mailto:donna.page@fairfaxmedia.com.au)

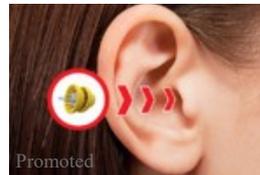
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