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FORMER MORIAH EMPLOYEE JAILED FOR MAXIMUM NINE YEARS OVER \$7.4M FRAUD

NOSTI: 'I'M VERY SORRY EVERYBODY'

EVAN ZLATKIS

MORIAH College's former finance manager Augustine "Gus" Nosti spent his first night behind bars yesterday (Wednesday) after being sentenced to a maximum of nine years' imprisonment for stealing \$7.4 million from the school.

Speaking exclusively to *The AJN*, Nosti - who pleaded guilty in March to five counts of dishonestly obtaining financial advantage by deception - apologised for his crimes, noting the school was "wonderful" to him and didn't deserve to suffer as a result of his actions.

The 58-year-old, who was arrested in May last year and was living free on bail since, was handed a non-parole period of five and a half years.

Sentencing Nosti in the Downing Centre District Court on Wednesday, Judge Karen Robinson said that while his offences were "unsophisticated and ultimately easily detected", they were "systematic" in nature, "skillfully executed over an extended period" and consisted of a "level of planning".

She said Nosti had "abused his position of trust" as an employee in charge of the entire financial functioning of the college.

An agreed statement of facts tendered to the court earlier this year shows Nosti stole \$3.4 million via 363 direct transfers to himself since December 2004, the year he began at the school.

He also stole almost \$4 million by redirecting 39 GST tax refunds into his own bank accounts instead of the college's between August 2005 and his resignation in March 2009.

Nosti told police he would put \$10,000-\$12,000 into poker

machines each week, and that he had gambled away 95 per cent of the stolen money.

However, Judge Robinson ruled, "The gambling addiction, although substantial and long-standing, is not a mitigating factor on sentence, nor is it a factor that reduces the moral culpability of the offender."

The court heard Nosti holds no formal qualifications in accounting, was "essentially self-taught", has no record of prior convictions and shows good prospects of rehabilitation.

"I couldn't say a bad word about the school ... They were very good people."

Gus Nosti

Former Moriah finance manager

"I accept the offender to have shown genuine remorse ... given the extent of his cooperation with police, his early pleas of guilty [and] his significant rehabilitative steps towards addressing the factors that led to his offending," Judge Robinson said.

Speaking to *The AJN* outside court on Wednesday prior to his sentencing, Nosti said, "I'm very sorry to everybody. It was never meant to be this way, no one ever did anything bad to me. I've just got to pay the price."

In exclusive comments to *The AJN* last month, which could not be published until now, Nosti said he "absolutely" felt sorry for the college, and would repay the money if he could.

"They were so good to me, they were wonderful people. Something



Augustine Nosti arriving at Downing Centre District Court on Wednesday.

(Photo: Evan Zlatkis)

just took over me, there's no other explanation. Gambling is just a terrible thing," he told *The AJN*.

Insisting, "I couldn't say a bad word about the school," Nosti commented, "They were very good people. The board of directors were wonderful, they treated me very well."

"It's a shame what happened, because they don't deserve that, they don't deserve to go through that."

When *The AJN* asked Nosti about reports he had sent money to relatives including his sister-in-

law, he stressed they were "absolute lies", claiming he had gambled "all of it" away.

"They've done their homework, they know there's nothing there, there's nothing to hide," he said.

"If I had [the money], I'd give it to them, I've got no issues with the school at all, if I could help them I would, I'd give everything back if I could."

Noting, "I've had a serious problem for many years," Nosti said of his gambling, "Addicts don't know they're addicts until the s*** hits the fan."

"I've been through so much counselling, Gamblers Anonymous, all sorts of places. I get counselling every week to try and deal with this," he told *The AJN*.

"It wasn't to maintain a lifestyle, it was purely gambling. It's really hard for people to understand because I don't even understand."

It was only in late 2019 - following the appointment of Jami Klein as the school's new finance manager - that the fraud was discovered, after Klein requested records from the ATO and noticed Moriah's GST refunds had been transferred to bank accounts listed on Nosti's payslips.

In a statement on Wednesday afternoon, Moriah president Stephen Jankelowitz told *The AJN*, "Today's sentencing is the culmination of a painstaking process of independent forensic and financial investigation alongside criminal proceedings that have been ongoing for close to two years. The fraud perpetrated against Moriah by Gus Nosti shocked the school community."

"It was criminal theft and a devastating betrayal. While justice has been served today, this process has taken its toll on the college as a whole and caused enduring collateral damage. The board of directors acknowledges the frustration of those in the community who were critical about the lack of detail provided about this case, while it was before the courts."

"However, we know that most people appreciated the limitations on what we could share openly, to avoid the risk of prejudicing any action. Our thanks go to the many individuals who have invested countless hours to see this through to its completion, and everyone who has offered their support."



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