“A Summer time of deadly sin…”

The hackneyed quote “that you wait for ages for a bus then two come along at once” sprung to mind when I was reading various judgments issued by the Royal Court in relation to the prosecution and sentencing of Richard Arthur.

I had only mentioned but a few articles ago that I did not deal with criminal law. However I feel it incumbent to report to you on some of the issues arising in this case, given the prominence it took over the summer.

By way of background, Richard Arthur became an equity partner in a Jersey accountant’s firm at the age of 28. In 1990 his estimated earnings were £400,000 a year. He sold his interest in his trust company in 1998 for some £4.4 million. As the Court described it: “he and his family were wealthy”.

It seems however that Mr Arthur succumbed to one of the deadly sins: greed. As a consequence of living an extravagant lifestyle and making “imprudent investments”, he “helped himself” to funds of three clients to the tune of £1,927,601.

The three individuals were elderly clients of his accountancy firm who had placed complete trust in him.

Notwithstanding an overdraft of £600,000 and the so called imprudent investments, he continued to live the gilded lifestyle. Not only did he succumb to the aforementioned deadly sin, but perhaps there was that Walter Mitty veneer to his Jersey life which seems to attract people to dishonest behaviour. Perhaps he was also suffering from the “keeping up with the Jones” syndrome which can be such an element of Island life.

As I say, this all came to pass this summer. Mr Arthur was sentenced to seven years imprisonment. He had pleaded guilty to three counts of fraud, three counts of fraudulent conversion, and four counts of falsification of accounts committed over a period of seven years. The impact on his victims was profound.

In fact, one victim’s daughter commented in a statement upon the family’s confidence on the Jersey’s financial sector. She starkly stated that it was “zero”. This was an issue for the Court, in that Mr Arthur’s conduct had brought “discredit upon the Island’s financial sector”. The Court reiterated its view that it is of “paramount importance that the reputation of integrity of the financial business on this Island should be preserved and its reputation remains untarnished”.

The Court also had regard to the consequences that Mr Arthur’s actions had on his fellow employees and the partners in his business. The proceedings have lasted a number of years. Perhaps too long.

Since Mr Arthur’s sentencing the Court have released further judgments which had been withheld pending the conclusion of the cause.

There appear to have been numerous legal spats. One curious spat was set out in a judgment released last month referring to a decision of Commissioner Birt in December 2017. An objection was raised by Mr Arthur’s lawyers that a particular local lawyer should not be permitted to prosecute the case.

It appears that ultimately it took four attempts to secure an Advocate to prosecute the case. The original Advocate appointed had to withdraw in late 2015. Unfortunately, the second Advocate appointed was taken seriously ill before the trial was due to commence. A third Advocate was appointed to prosecute but Mr Arthur's lawyer took objection to the appointment of that particular Advocate because of an apparent conflict. The Court agreed, so a fourth Advocate was appointed. Bizarre.

This case highlighted perhaps the good and the bad of Jersey criminal law. The good in the sense that Mr Arthur was convicted. His greed and the impact such avarice had upon innocent bystanders were properly sanctioned. Seven years is a long time. Moreover it sends a loud message for those that might get caught up in a Walter Mitty lifestyle to stop and think about the consequences of their actions. Perhaps one doesn't need to "keep up with the Jones" or the "Smiths" or the "Le's" or "La's". Conversely, perhaps the proceedings have taken too long, thereby prolonging the agony for the victims. The cost and the general disarray that the prosecution appears to have found itself in at various stages of the proceedings is a salutary lesson for the Jersey authorities, particularly with the financial world's beady eye upon us at this crucial time.