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## Sydney businessman already in court accused of underpaying staff an additional \$1.8 million



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A Sydney businessman already facing legal action for allegedly underpaying staff is set to face additional legal action from the Fair Work Ombudsman, who is accusing him of underpaying an additional 22 staff a total of \$1.8 million.

The Fair Work Ombudsman initially commenced legal proceedings against businessman [Kia Silverbrook in April](#), accusing him of underpaying 21 employees a total of \$870,000.

In addition to these original charges, Silverbrook is now facing court proceedings alleging he underpaid 22 employees more than \$1.8 million.

Companies connected to Silverbrook are now involved in five separate legal proceedings in the Federal Circuit Court in Sydney.

The companies include three at which Silverbrook was in charge of the overall direction, management and supervision of operations.

These include patent application firm Priority Matters (accused of underpaying 15 employees a total of \$452,997), medical research business Geneasys (five employees owed \$362,973) and solar research firm Superlattice (one employee owed \$55,969).

In addition, IT company MPowa, which Silverbrook manages and majority owns, is accused

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of underpaying 17 employees a total of \$1.42 million. He was also a director of Worldwide Specialty Property Services, a company that collapsed in April, which is accused of underpaying five employees a total of \$390,984.

The underpaid staff include a number of white-collar professionals, including IT staff, engineers, clerical workers, an accountant and a marketer.

One employee is allegedly owed \$166,914, while two employees of companies associated with Silverbrook are allegedly owed more than \$200,000.

TressCox Lawyers partner Rachel Drew told *SmartCompany* the amounts involved were quite astounding, noting it's unusual for underpayments to be so high.

"It's certainly a very large underpayment, and it's the sort of thing that FWO is likely to pursue very vigorously," Drew says.

"It makes you wonder how he got to that level of underpayment, and one of the things Fair Work will look at is whether there was intentional underpayment."

Drew says directors in Silverbrook's position could be personally liable, even if the underpayment was not intentional.

Meanwhile, in her statement, Fair Work Ombudsman Natalie James says the claims relate to employees not being paid either their full wages or any wages at all between February and December last year.

"Many of the employees continued to provide services based on expectations that cash flow problems would be solved and they would be paid," said James.

"They continued to work without being paid for many months - notwithstanding the impact on their own financial position and requests for payment."

*SmartCompany* attempted to contact Silverbrook, but no comment was available prior to publication.

keywords | industrial relations, fair work ombudsman, tresscox, rachel drew, kia silverbrook

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