

**IN THE EMPLOYMENT RELATIONS AUTHORITY
WELLINGTON**

[2014] NZERA Wellington 26
5447325

BETWEEN THE HIBERNIAN CATHOLIC
BENEFIT SOCIETY
Applicant

AND SUSAN TERRI HAGAI
Respondent

Member of Authority: P R Stapp

Representatives: Jaesen Sumner and Emma Currie, Counsel for the
Applicant
Frank Handy, Counsel for the Respondent

Investigation Meeting: On the papers by 17 March 2014 and by telephone
conference held on 12 March 2014 at Wellington

Submissions Received: By 17 March 2014

Determination: 17 March 2014

DETERMINATION OF THE AUTHORITY

Employment relationship problem

[1] It is common ground that the employment relationship problem is about the recovery of a sum of money plus interest and costs that the respondent owes the applicant.

The facts

[2] The Hibernian Catholic Benefit Society is a registered friendly society and registered under the Friendly Societies and Credit Unions Act 1982. The Society's business is to provide financial benefits, services and assistance to its members, including loans, life assurance and medical and household insurance.

[3] Ms Hagai was employed by the Hibernian Catholic Benefit Society as an administration and accounting officer from 1994 until 2010. Her duties of employment included administering the Society's bank accounts/funds on behalf of its members.

[4] Between 10 May 2007 and 24 June 2010 Ms Hagai transferred \$574,000 from the Society's bank account into bank accounts owned and controlled by her and her husband before being made redundant in July 2010. The Society's administrative and accounting requirements were outsourced and the accountants found a number of discrepancies. The particulars of the transfers are documented as proof of the outstanding total of \$547,000. The money was taken by Ms Hagai without any authority. She had no defence for taking the money.

[5] In September 2011 Ms Hagai admitted the conduct and pleaded guilty to charges under the Crimes Act 1961 in Wellington District Court. She pleaded guilty. No arrangements have been made for any payments to the Society to reduce the sum of money taken during her employment.

Determination

[6] By consent I enter judgment in the sum of \$574,000 to be paid by Susan Hagai to the Hibernian Catholic Benefit Society.

[7] In addition, Ms Hagai is to pay 5% per annum interest on the sum from 30 January 2014 to 17 March 2014 (47 days @ \$78.63 per day) being a total sum of \$3,695.61 interest.

Authority's orders

[8] Susan Terri Hagai is required to pay the Hibernian Catholic Society:

- a. \$574,000 money that she owes to the Society.
- b. \$3,695.61 interest on the above sum.
- c. Costs below.

Costs

[9] I order Susan Terri Hagai to pay a contribution to the Society's costs in the commencement of proceedings in the Authority and for the matters to be dealt with on the papers in the sum of \$2,000 plus the \$71.56 filing fee.

P R Stapp
Member of the Employment Relations Authority