

Australian prosecutors charged the former local heads of [Citigroup](#) and [Deutsche Bank](#) with criminal cartel offenses, the most dramatic move so far in a country bent on taking bankers to task for years of misbehaviour.

The case centres on the banks' actions following a \$2.5 billion (\$1.9 billion) share sale by Australia & [New Zealand Banking](#) Group in 2015. Under Australia's cartel laws, executives can face up to 10 years in jail if found guilty. The three [banks](#) themselves are also being charged with criminal cartel offenses.

Criminal charges have been laid against Stephen Roberts, the former country head of Citi Australia; Itay Tuchman, who was head of Citi Australia's global markets division and now runs global foreign exchange trading in the country; John McLean, Citi's head of capital markets origination for Australia and New Zealand; Michael Ormaechea, Deutsche Bank's former Australia CEO; Michael Richardson, former head of equity capital markets at Deutsche's Australia unit; ANZ Bank's group treasurer Rick Moscati.

Australia's banking industry, which thrived during the post-financial crisis years even as bankers elsewhere became symbols of destructive greed, has been convulsed in past months by public outrage. Until now, though, the scrutiny of [banks](#) had mostly centred on years of wrongdoing against retail customers and small businesses.

"These serious charges are the result of an ACCC investigation that has been running for more than two years," Australian Competition & Consumer Commission Chairman Rod Sims said in a statement detailing the charges on Tuesday. ANZ and each of the individuals are alleged to have been knowingly involved in some or all of the alleged conduct, the watchdog said.

Citigroup, [Deutsche Bank](#) and [ANZ Bank](#) have denied any wrongdoing and said they will defend against the allegations.

"[Deutsche Bank](#) reiterates that it believes it and its staff, including two former staff members Michael Ormaechea and Michael Richardson, acted responsibly, in the interests of clients and in a manner consistent with the Corporations Act and [ASIC](#) market integrity rules in relation to ANZ's institutional share placement," the bank said in a statement. "Both Michael Ormaechea and [Michael Richardson](#) are highly regarded and have our full support."

[Citigroup](#) said on Friday after the ACCC first unveiled the looming charges that a criminal case would mark an unparalleled foray by prosecutors into an area of Australia's capital markets that has successfully used underwriting syndicates for decades.