

INTERNET NEWS

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FACC sues former CEO, CFO for \$11 million over cyber fraud failings



VIENNA (Reuters) - Chinese-owned plane parts maker FACC is suing its former chief executive and ex finance chief who it alleges failed to do enough to protect it from a cyber fraud costing tens of millions of euros, an Austrian court said.

The company was tricked into transferring some 54 million euros (\$61 million) to foreign accounts in a so-called “fake-president fraud”, a statement outlining the lawsuit issued by a court in Ried in Innkreis, where FACC is based, said on Monday.

The company made the fraud public in January 2016 and fired its finance chief Minfen Gu the following month. It then dismissed Chief Executive Walter Stephan in May of that year. Both individuals deny the allegations, the court said.

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“The plaintiffs ... are seeking damages of 10 million euros (\$11 million),” the court said in its statement detailing the lawsuit filed by FACC and one or more of its units.

They allege Minfen and Walter failed to set up adequate internal controls and to meet their obligations of collegial cooperation and supervision, the court statement said.

A spokesman for FACC declined to comment as the case was ongoing. It is due to be heard on Dec. 17.

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