



# Who's running THE COMPANY?

The unmasking of "Dr" Bruno Sorrentino (above) has sent shock waves through Telecom — and the rest of the finance and telecommunications industries. BY IAN QUIDDINGTON and STEVE LEWIS

WHEN Bruno Sorrentino migrated from Britain to Australia 15 years ago, he left behind a 15-year career as a middle-management manager in Midland Bank's computer division. En route to Australia, he adopted the title of "Dr" and took on a new persona which was to open up a new phase of his career.

Within six months, he had been appointed to the ANZ Bank as its general manager, information technology, and chief information officer, commanding a salary package of up to \$250,000. Later, he established a Melbourne-based consultancy whose clients included the retail giant Coles Myer.

Then came the coup d'état. In September this year, Telecom appointed "Dr" Sorrentino to a new senior position as head of the information technology group and the company's research laboratories.

The new structure, bringing together the business side of Telecom with research arm, would create the largest centre for telecommunications research and product development in the Asia-Pacific.

Less than five weeks later, Sorrentino was out of a job. In the middle of a trip to the United States, he was called back to Australia by Telecom's group managing director, network and technology, Doug Campbell, and asked to substantiate his academic qualifications. Two days later, he'd resigned for "personal reasons".

The "Dr" Sorrentino myth had been shattered by a small group of scientists in the Telecom laboratories. Curious to read the thesis of their newly highly flamboyant boss, their search revealed Sorrentino had never completed a PhD at

London's Imperial College, as he had claimed. In fact, he had never even attended the university.

The unmasking of Bruno Sorrentino was a major embarrassment for Telecom. It came at a critical time in the company's development of new technologies, such as ISDN.

It is also sending shock waves through Australia's finance and telecommunications industries. The fact that some of Australia's biggest corporations could be so easily bluffed is raising fundamental questions about the processes corporate leaders use to recruit their senior managers. Where are the checks and balances on the academic and professional bona fides of senior executives?

In the wake of the Sorrentino affair, at least one major headhunter, Morgan & Banks, has introduced a new form of psychological testing to double check whether job candidates measure up to the claims made in formal resumes. Other firms are also beginning to insist that job candidates back up their stated qualifications with certificates.

But there is another side to the industry which rarely checks qualifications, especially for senior management and marketing positions. They say that reputation and experience count more than a degree.

The Australian Computer Society says that until it gets some form of legal backing that restricts the profession to people who are formally qualified, or can prove that they are competent in the field, the judging of qualifications will go on unchecked.

John Smirk, a former academic who now works as an information consultant from Sydney, is often called on to headhunting computer experts for major companies. He says that, in his experience, the judging of qualifications is rarely made public. He argues that this prevalence is due to a failure by corporate managers to assume responsibility and probe and question information technologies.

"There is still a lot of bluster in the business and a mystic surrounds the computer expert," he says. "In this context, it is rare that

a someone's qualifications will be challenged.

Most people in the industry agree that the incidence of people getting a degree to put a sharper edge on their qualifications is increasing as employers place greater emphasis on formal qualifications. But just how prevalent is the problem of fictitious degrees may never be known.

The standard practice is that when a corporation uncovers a matter becomes taboo.

An investigation by *The Australian Financial Review* found that Sorrentino's background was largely created. He decided to rewrite his resume and turn an unsuccessful career at the Midland Bank in Britain into a series of spectacular achievements, of which he began to boast. He not only created a scholarly past but began dropping names, such as "IBM UK" into his repertoire, claiming that he had been a data-process manager for Big Blue for some years.

When Sorrentino joined Unsys in Sydney, apparently no-one thought to check the bona fides of his "doctorate". Six months later, he moved to the ANZ bank to head up its information technology section, and the qualification that was important to senior executives was that he had worked in the finance sector in Britain and that he knew about computers.

At its most top-flight appointments there were no formal interviews or meetings, but a friend's lunch and a handshake. While at the ANZ, Sorrentino controlled for more than three years a budget of more than \$300 million.

He used it to put in place the bank's local and global computer architectures. His next appointment, at Telecom, represented what might normally be the peak of a career for someone with qualifications in science and management. His task was to create a whole new structure, rationalise the laboratories, and give Telecom a new technological focus for the future.

**DR BRUNO Sorrentino** has worked at Telecom with 10 years experience in research and information technology. Born in Verona Italy, Dr Sorrentino is a naturalised Australian whose education spans Italian, US and UK

tertiary institutions. "He holds a BSc from the University of Padua, Italy, an MA in applied mathematics from the Royal Institute of the University of Chicago and a PhD in physics from the Imperial College, London."

There was official feedback to Telecom's 600 Melbourne-based research staff when Sorrentino was hastily appointed in September to head up a new division incorporating the company's research facilities and information technology group. The position would give Sorrentino direct access to the Telecom board.

There was fear and loathing in the labs. Long-serving staff believed the company was about to cut a swathe through the operations. Former research chief Ray Liggett had been effectively pushed sideways, allegedly after refusing to countenance Telecom's planned downgrading of the facilities.

Against this background, Sorrentino set out to win the trust of his staff. During his first days on the job, Sorrentino gave a rousing address: an emotive call from the pulpit for loyalty. "Are you with me?" he asked his staff, many of whom reportedly erupted at his evangelical tone.

According to scientists present at the meeting, people started to get really suspicious when he claimed to have worked with Nobel Prize-winning physicist Richard Feynman while at Chicago University.

Feynman had never worked at the University of Chicago — a fact picked by some of those present.

A small group of scientists began searching academic data bases for Sorrentino's list of research publications. After a fruitless search on the data bases, they approached the Imperial College's librarian to check his thesis. When Sorrentino's deception had been confirmed, the group passed the evidence to the Public Sector Union, which confronted Telecom.

Throughout his six years in Australia, Sorrentino had cultivated a close network of scientists, many of them highly influential. At the time of his appointment, there were claims that he had been personally approached by senior Telecom officials. According to

company leaders, there was no formal selection process, no professional recruitment firm, just a wink and a nod from Australia's second-largest company.

Brian Finn, former IBM supremo and a Telecom director, concedes that he was quizzed about Sorrentino before his appointment. But he adds: "I had nothing to do with initiating his entry to Telecom."

"Because of my involvement in information technology and, in particular, ANZ, which is a substantial IBM customer, I was asked if I knew him — but that was my only involvement with Sorrentino's appointment," Mr Finn says.

While at ANZ, Sorrentino would have worked closely with Paul Rizzo, the bank's former general manager, international, and now Telecom's chief financial controller. And there are claims that Telecom's Campbell told a group of 15 scientists that he and his wife were personal friends of Sorrentino.

Campbell declined to talk to *The Australian Financial Review* about Sorrentino, in line with the company's strict policy. A Telecom spokesman said the company "does not, in this or any other case, comment on the resignation of its officers".

Sorrentino's resignation triggered a further chain of events. According to company documents, Sorrentino resigned on October 29 as a company director of Bevington and Partners (formerly Bevington Sorrentino and Partners), a Melbourne-based consultancy which lists among its major clients Coles Myer. He'd been appointed just five months earlier.

He remains a director and company secretary of Coneline Pty Ltd and director of local Skil Pty Ltd — both of which share the same registered address as Bevington and Partners.

MOST companies Sorrentino worked with in Australia refuse to make any official comment on his time with them. Many individuals who worked beside him, however, say they had no reason to question his ability in the workplace.

If any of Bruno Sorrentino's employers or clients had simply asked for a reference from Midland Bank, they would have found that Sorrentino had an unbroken career of 24 years, working his way up from the bottom. This period covered most of the time he was supposedly working up higher degrees and working as a senior manager with IBM.

For Telecom, Sorrentino's downfall has created havoc. It has left the Telecom Research Laboratories adrift at a time when they were to be undergoing major restructuring and restructuring. There is also a crisis of confidence, with at least one senior manager telling staff that he had refused a higher appointment in Telecom and was moving elsewhere because of his concerns about ethical standards in the organisation.

For now, "Dr" Sorrentino may have been unmasked but many people in the computer industry believe he will reappear and move into another key position. Because the information technology profession is unregulated, there is no way to "check off" or ban a "computer expert" who, ethically, goes awry.



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