



Serious Financial Crime Taskforce

The ATO-led Serious Financial Crime Taskforce tackles the most serious forms of financial crime.

How the taskforce operates



What the Serious Financial Crime Taskforce does and who is involved.

Keep up to date with the taskforce



What the taskforce is focusing on and its latest results.

Help prevent serious financial crime



What to look for and how you can report.

Operation Bordelon



Learn about Operation Bordelon, a joint ATO-led Serious Financial Crime Taskforce investigation.

Operation Elbrus



Learn court outcomes of Operation Elbrus, a joint ATO-led Serious Financial Crime Taskforce investigation.

Taskforce action on false invoicing arrangements



The Serious Financial Crime Taskforce is targeting false invoicing and other illegal financial arrangements.

Taskforce action on electronic sales suppression tools



How the Serious Financial Crime Taskforce is acting against electronic sales suppression tools.

SFCT intelligence bulletin – targeting fraud in GST refunds



How the Serious Financial Crime Taskforce (SFCT) is targeting GST refund fraud.

Fraud in the precious metals refining industry



Fraud in the precious metals industry is a focus for the ATO.

Serious Financial Crime Taskforce past media releases and audio grabs



Past media releases and audio grabs released by the Serious Financial Crime Taskforce.

QC 41319

How the taskforce operates

What the Serious Financial Crime Taskforce does and who is involved.

Published 18 September 2024

On this page

About the Serious Financial Crime Taskforce

Serious Financial Crime Taskforce – making a difference

About the Serious Financial Crime Taskforce

The Serious Financial Crime Taskforce (SFCT) is an ATO-led joint-agency taskforce established on 1 July 2015. It brings together the knowledge, resources and experience of law enforcement and regulatory agencies to identify and address the most serious and complex forms of financial crime.

The SFCT includes:

- [Attorney-General's Department](#)  (AGD)
- [Australian Border Force](#)  (ABF)
- [Australian Criminal Intelligence Commission](#)  (ACIC)
- [Australian Federal Police](#)  (AFP)
- [Australian Securities and Investments Commission](#)  (ASIC)
- Australian Tax Office (ATO)
- [Australian Transaction Reports and Analysis Centre](#)  (AUSTRAC)
- [Commonwealth Director of Public Prosecutions](#)  (CDPP)
- [Department of Home Affairs](#)  (Home Affairs)
- [Services Australia](#) .

Serious financial crime

Each year, serious **financial crime** costs the Australian community millions of dollars in lost revenue. With the support of partner agencies, we are committed to preventing, detecting and dealing with this kind of criminal activity through the SFCT.

Rapidly evolving technology provides a platform for criminals to become more active, finding new ways to target vulnerable people. The SFCT investigates the most serious offenders of these crimes, and brings them to account.

The current focus of the SFCT is on:

- professional enablers
- technology enabled crime
- value flows between connected criminal syndicates.

In July 2023, the Government provided \$223.8 million to the ATO over 4 years to extend the SFCT through to 30 June 2027 and merge the SFCT with the Serious Organised Crime program. This maximises the disruption of organised crime groups that seek to undermine the integrity of Australia's public finances.

Continued funding allows us to leverage the capabilities and powers of Commonwealth law enforcement and regulatory agencies. It also enables the SFCT to keep sharing our collective knowledge, resources and experience to target the most serious and complex forms of financial crime that present the highest risk to Australia's tax and superannuation systems.

The SFCT also supports Australia's involvement as a member of the **Joint Chiefs of Global Tax Enforcement (J5)**. This allows us to work together globally with leaders of tax enforcement authorities from Canada, UK, USA and the Netherlands to further disrupt international tax crime and money laundering.

As a member of the SFCT, we are equipped with the resources, data-matching capability and international and domestic intelligence-sharing relationships to uncover even the most intricately-planned serious financial crimes.

Serious Financial Crime Taskforce – making a difference

Watch our video to learn more about the SFCT, and the difference it is making to address serious financial crime.

Media:Serious financial crime
<http://tv.ato.gov.au/ato-tv/media?v=bi9or7odfyfjh5>

QC 103033

Keep up to date with the taskforce

What the taskforce is focusing on and its latest results.

Last updated 4 June 2025



On this page

Taskforce results

Guidance and resources

Case studies and tax crime prosecution results

Latest media releases

Taskforce results

The Serious Financial Crime Taskforce (SFCT) started operation on 1 July 2015.

From this date until 31 March 2025, the Taskforce has progressed cases that have resulted in:

- completion of 2,526 audits and reviews
- conviction and sentencing of 71 people
- raised over \$2.9 billion in liabilities
- collected more than \$1 billion.

Guidance and resources

The SFCT has valuable resources to warn taxpayers of the risks of getting involved in these kinds of behaviours, including:



- **GST refund fraud** - an Intelligence Bulletin warning businesses against using related-party structuring and false invoicing, and entering into artificial and contrived arrangements to cheat the tax and super systems.
- **False invoicing** - an Intelligence Bulletin warning businesses against false invoicing arrangements. These schemes involve issuing invoices where no goods or services are provided.
- **Electronic sales suppression tools (ESSTs)** - a new Intelligence Bulletin warning businesses against using ESSTs. Businesses use ESSTs to illegally manipulate transaction records and avoid their tax obligations.
- **Fraud in the precious metals refining industry** - The illegal manipulation of the government's interpretation of precious metals has been a focus for SFCT, which has investigated participants alleged to have been involved in gold bullion fraud.

Case studies and tax crime prosecution results

Case studies show that those who deliberately cheat the system will be held to account:

- Serious Financial Crime Taskforce case studies
- Operation Bordelon
- Operation Elbrus
- Tax crime prosecution results

Latest media releases

- Government fraudster sentenced to jail
- [24-281MR Former registered liquidator Peter Amos sentenced to prison for dishonest use of position as external administrator](#) 
- Six people jailed over \$10 million tax fraud
- Victorian woman sentenced for defrauding the ATO of \$452,000
- WA woman jailed for exploiting hardship superannuation support
- Queensland women sentenced for fraudulent claims to COVID-19 scheme
- Suspected criminal operation accused of laundering \$1 billion
- Final person sentenced over Operation Elbrus tax fraud
- From gold bars to iron bars
- Operation Underpitch smashes money laundering, tax evasion and foreign worker exploitation within the NSW and ACT construction industry
- [Former Chair, CEO and CFO of Bruck Textile Technologies committed to stand trial](#) 
- Foreign worker exploitation targeted in multi-agency operation
- Operation Elbrus: Sydney man jailed for tax fraud

Past media releases

Read our past SFCT media releases and listen to the audio grabs.

Help prevent serious financial crime

What to look for and how you can report.

Last updated 18 March 2025

On this page

[Make a tip-off](#)

[Serious Financial Crime Identikit](#)

[Download and share the Serious Financial Crime Identikit](#)

[Fact sheets](#)


Make a tip-off

The SFCT is committed to tackling illegal activity and behaviour of concern. If you are concerned that you or someone you know is doing the wrong thing, you can confidentially tell us about it.

To report any known or suspected illegal behaviour you can either:

- complete the [tip-off form](#)
- phone us on the ATO Tip-off hotline on **1800 060 062**.

Serious Financial Crime Identikit

 Serious Financial Crime Identikit. Hand with puppet strings attached.

You can help us stop serious financial criminals by being aware of how they operate.

We've developed the Serious Financial Crime Identikit to help Australians better understand:

- how serious financial crime affects the community

- the kinds of criminals involved
- the warning signs to look out for.

The kit features a series of personas that describe the different roles played by criminals involved in serious financial crime, how they can be spotted and what to do if you see something suspicious.





It also includes a checklist of the main warning signs, plus tips for protecting yourself from cybercrime.

Download and share the Serious Financial Crime Identikit

You can download the Serious Financial Crime Identikit and fact sheets. Share this information with your network to encourage others to keep an eye out for suspicious activity:

- [Serious Financial Crime Identikit \(including a warning signs checklist\) \(PDF, 3.1MB\)](#) 
- [Infographic – Serious Financial Crime Identikit \(PDF, 1.1MB\)](#) 

Fact sheets

- [We're targeting: Offshore tax evasion \(PDF, 455KB\)](#) 
- [We're targeting: Cybercrime affecting the tax and superannuation systems \(PDF, 392KB\)](#) 
- [We're targeting: Illegal phoenix activity \(PDF, 451KB\)](#) 
- [We're targeting: Fraud related to the COVID Economic Response Package \(PDF, 227KB\)](#) 

QC 103035

Operation Bordelon

Learn about Operation Bordelon, a joint ATO-led Serious Financial Crime Taskforce investigation.

Last updated 11 February 2025

On this page

About Operation Bordelon

Latest news

About Operation Bordelon

Operation Bordelon is an investigation into large-scale tax fraud and money laundering conspiracies. The investigation was conducted by the ATO-led **Serious Financial Crime Taskforce** (SFCT). It has resulted in a number of individuals being charged and prosecuted by the Commonwealth Department of Public Prosecution (CDPP) with various tax crime offences.

The investigation involved a syndicate allegedly using labour hire and payroll services companies to defraud the Commonwealth of more than \$10 million in Pay As You Go (PAYG) withholding.

These companies should have sent the PAYG withholding they collected to the ATO. Instead, the proceeds were allegedly directed to syndicate members and their associates.

After an 18-month joint investigation involving the Australian Federal Police (AFP), ATO and Australian Securities and Investments Commission, the AFP executed search warrants in Queensland, New South Wales and the Australian Capital Territory.

To date, 7 people have been sentenced for their roles in the alleged fraud. The remaining cases are still before the courts. Bookmark this page to keep up-to-date with future sentences.

Latest news

Read the latest news and sentencing details.

6 December 2024 – Six people jailed over \$10 million tax fraud

Six people have been sentenced in the Kings Street Supreme Court to jail time for their roles in a \$10 million tax fraud.

George Alex, Gordon McAndrew, Lindsay Kirschberg, Pasquale Loccisano and Mark Bryers were charged with conspiring to cause a loss to the Commonwealth in the amount of approximately \$10 million (Tax Fraud Conspiracy) and conspiring to deal with proceeds of crime of \$1 million or more.

George Alex was sentenced to a total of 9 years 3 months imprisonment, with a non-parole period of 6 years 2 months. He was the head of the organised crime syndicate and received a personal benefit of over \$4.4 million from his role in the scheme. Some of these funds were used to purchase a property and car, pay rent and for medical procedures.

Gordon McAndrew was sentenced to a total of 8 years imprisonment, with a non-parole period of 5 years 6 months. He was a key facilitator of the fraud, oversaw payroll processing and the transfer of funds, and received over \$600,000 for his role in the scheme.

Lindsay Kirschberg was sentenced to a total of 8 years imprisonment, with a non-parole period of 5 years 6 months. Together with Mr McAndrew, he was a key facilitator of the fraud, oversaw payroll processing and the transfer of funds, and received nearly a million dollars for his role in the scheme.

Pasquale Loccisano was sentenced to a total of 8 years 6 months imprisonment, with a non-parole period of 6 years. He was George Alex's right-hand man and controlled 5 key money laundering entities within the scheme. He received over \$500,000 for his role in the scheme.

Mark Bryers was sentenced to a total of 8 years 6 months imprisonment, with a non-parole period of 6 years. He was first engaged in early 2019 by key conspirators of the fraud, to help improve their payroll processing and received over \$1.7 million for his role in the scheme.

Lucas Connell was sentenced to 1 year 6 months imprisonment, with a non-parole period of 8 months. He pled guilty to aid, abet, counsel or procure the commission of an offence on the first day of the trial. In

2019, Mr Connell was engaged by the syndicate to help with payroll processing and was listed as the Director of multiple entities that were used to siphon off money. He received over \$480,000 for his role in the scheme.

Read more at [Six people jailed over \\$10 million tax fraud](#).

31 March 2023 – Canberra man pled guilty

A 43 year old man, William Pahl, was sentenced to 2 years 6 months jail with a non-parole period of 1 year 3 months. He was charged with conspiring to cause a loss to the Commonwealth and received \$136,535 for his role in the scheme.

Read more at [Canberra man jailed for complex fraud linked to organised crime](#).

QC 101395

Operation Elbrus

Learn court outcomes of Operation Elbrus, a joint ATO-led Serious Financial Crime Taskforce investigation.

Last updated 11 February 2025

On this page

[About Operation Elbrus](#)

[Latest news – 2023 and 2024](#)

[News from 2021 and 2022](#)

[News from 2019 and 2020](#)

About Operation Elbrus



Operation Elbrus is an investigation into large-scale tax fraud and money laundering conspiracies. The investigation was conducted by the ATO-led **Serious Financial Crime Taskforce (SFCT)**. It has resulted in a number of individuals being charged with a range of tax-crime offences.

The investigation involved a syndicate allegedly using Plutus Payroll and other payroll services companies to divert pay as you go (PAYG) withholding tax and goods and services tax (GST) owed to the ATO. This involved a network of second-tier companies headed by straw directors.

Operation Elbrus, also known as the Plutus Payroll fraud, was a joint ATO and Australian Federal Police (AFP) investigation that became a key focus for the SFCT in 2017.

Tax crime affects everyone. This particular fraud ripped off innocent creditors and deprived the public of valuable funds for essential services.

Those involved thought they would never be caught. However, they overlooked the investigative powers of the SFCT. The Taskforce is committed to bringing the most serious offenders of financial crime to account.

You can download our infographics and learn more about how the [Plutus Payroll scheme worked \(PDF, 147KB\)](#)  and how [Operation Elbrus unfolded \(PDF, 392KB\)](#) .

Latest news – 2023 and 2024

Read the latest news and sentencing details.

1 February 2024 – 4.5 years jail for offender

Christopher Guillan, a former Finance Manager, was charged with negligently dealing with proceeds of crime. Mr Guillan was the last offender as part of Operation Elbrus to appear before the courts for sentencing.

For his role in the syndicate, Mr Guillan received a sentence at the Supreme Court of NSW of 4 years 6 months jail, with a non-parole period of 2 years 3 months.

Read more at [Final person sentenced over Operation Elbrus tax fraud](#).

22 August 2023 – Ex-pro snowboarder sentenced to 15 years jail

Jason Onley was sentenced to jail for 15 years with a 10-year non-parole period. He was charged with conspiring to cause a loss to the Commonwealth, and conspiracy to deal with proceeds of crime \$1 million or more.

Mr Onley was also a key facilitator in the creation and operation of the scheme. He helped manage the second tier companies and also helped to conceal the scheme from authorities.

Read more at [Operation Elbrus: Trio jailed over tax fraud](#).

22 August 2023 – 15 years jail for key facilitator

Adam Cranston was sentenced to jail for 15 years with a 10-year non-parole period. He was charged with conspiring to cause a loss to the Commonwealth, and conspiracy to deal with proceeds of crime \$1 million or more.

Mr Cranston was responsible for the management of second tier companies and was considered one of the architects of the tax fraud. He was involved in the planning of the scheme and its concealment from authorities.

Read more at [Operation Elbrus: Trio jailed over tax fraud](#).

4 July 2023 – Former solicitor jailed for 14 years

Dev Menon was sentenced to jail for 14 years with a 9-year non-parole period. He was charged with conspiring to cause a loss to the Commonwealth, and conspiracy to deal with proceeds of crime \$1 million or more.

Mr Menon played a key role in the tax fraud. Using his skills as a solicitor, he gave advice on how to avoid detection and mislead the ATO and covered up the conspiracy's crime.

Read more at [Operation Elbrus: Trio jailed over tax fraud](#).

5 May 2023 – Co-conspirator sentenced to 9 years jail

Patrick Wilmott was sentenced to 9 years jail with a 6-year non-parole period. He was charged with conspiring to cause a loss to the

Commonwealth, and conspiracy to deal with proceeds of crime \$1 million or more.

Mr Wilmott jointly exercised day-to-day control over second-tier companies and their bank accounts used by the syndicate to withhold money and underpay a portion of the PAYG withholding and GST owed to the ATO. His role included processing payments for the second-tier companies, at the direction of other conspirators.

Read more at [Operation Elbrus: Sydney man jailed for tax fraud](#).

1 May 2023 – Co-conspirator sentenced to 8 years jail

Lauren Cranston was sentenced to 8 years jail with a non-parole period of 5 years' imprisonment. She was charged with conspiring to cause a loss to the Commonwealth, and conspiracy to deal with proceeds of crime \$1 million or more.

It was found that Ms Cranston jointly exercised day-to-day control over the second-tier companies and their bank accounts. These were used by the syndicate to withhold money and underpay a portion of the PAYG withholding and GST to the ATO. Her role included using various bank accounts to launder the funds for the financial benefit of the co-conspirators.

Read more at [Operation Elbrus court outcome: Woman jailed for tax fraud offences](#) .

News from 2021 and 2022

Read the latest news and sentencing details.

23 June 2022 – Former solicitor sentenced to 12 years jail

Former solicitor, Sevag Chalabian, provided the mechanism for disguising more than \$24 million that was received into and then transferred out of his legal practice's trust account.

These funds were considered the proceeds of crime derived from other persons blackmailing the Plutus tax fraud conspirators of some of the proceeds of their fraud.

Mr Chalabian was convicted and sentenced to 12 years in jail with a non-parole period of 7 years and 6 months. He also had his solicitor's practicing certificate cancelled in 2020.

Read more at [Operation Elbrus court outcome revealed: lawyer jailed for 12 years.](#)

1 April 2021 – Blackmailer pled guilty

Mr Daniel Hausman looked for property development opportunities to launder some of the proceeds of the fraud. He also took part in blackmailing those who were involved in the fraud. Mr Hausman pled guilty to the following 2 charges for his role in the scheme:

- unwarranted demand with menaces
- dealing in the proceeds of crime.

For his crimes Mr Hausman was sentenced to 8 years imprisonment ending on 29 March 2029 with a non-parole period of 6 years. Mr Hausman also appealed his sentence, which was dismissed on 14 February 2022.

1 April 2021 – Man pled guilty to blackmail

Mr Daniel Rostankovski pled guilty to the following 3 charges for his role in the scheme:

- aid, abet, counsel or procure the commission of an offence
- unwarranted demand with menaces
- dealing in the proceeds of crime.

For his crimes Mr Rostankovski was sentenced 10 years and 5 months jail with a non-parole period of 7 years and 2 months. Mr Rostankovski appealed the decision, however his appeal was denied by the court.

News from 2019 and 2020

Read the latest news and sentencing details.

31 July 2020 – Plutus payroll architect jailed for 7.5 years

Simon Anquetil, one of the founders of the payroll services company, Plutus Payroll, and one of the architects of the fraudulent scheme, pled

guilty in November 2019 to conspiring to defraud the Commonwealth and knowingly dealing with the proceeds of crime with a value of \$1 million or more.

Mr Anquetil was sentenced to 7 years and 6 months jail on 31 July 2020 with a non-parole period of 5 years.

Read more at [Plutus Payroll founder jailed in Operation Elbrus](#).

10 July 2020 – Fourth Plutus Payroll offender sentenced

From 2014 to 2017, Devyn Hammond jointly exercised control over the second-tier companies associated with Plutus Payroll and their bank accounts.

Ms Hammond's role in the crime syndicate included operating the accounts of Plutus's second-tier companies and falsely signing off as the dummy directors on records or impersonating them in emails.

The 27-year-old pled guilty to conspiring to defraud the Commonwealth and conspiring to deal with the proceeds of crime worth more than \$1 million.

She was sentenced in the Supreme Court of NSW on 10 July 2020 to 4 years jail with a non-parole period of 2 years and 6 months.

Read more at [Fourth person jailed for Operation Elbrus](#).

4 June 2020 – Former accountant becomes third Operation Elbrus offender sentenced

Paul O'Leary, a former accountant, was charged with negligently dealing with proceeds of crime.

Mr O'Leary was the third Operation Elbrus offender to appear before the courts. He pled guilty to negligently dealing with proceeds of crime in excess of \$1 million.

For his role in the syndicate, he received a sentence of 3 years and 3 months jail in the District Court of New South Wales. This was later reduced on appeal to 2 years with a minimum period of one year and one month.

Read more at [Fourth person jailed for Operation Elbrus](#).

21 February 2020 – Dealing in proceeds of crime results in 3 years and 4 months' jail

Former bricklayer, Aaron Paul, was initially hired by the syndicate to run errands. He moved on to recruit straw directors and launder money for the syndicate.

Mr Paul pled guilty to his role in the crime syndicate and dealing with the proceeds of crime in excess of \$100,000 between 2016 and 2017.

He was the second Plutus Payroll offender to be sentenced.

The sentencing on 21 February 2020 in the District Court of NSW was just months after Mr Paul's co-accused Mr Kitson was sent to jail. Mr Paul was sentenced to 3 years and 4 months jail for his role in the Plutus Payroll tax fraud.

Read more at [Second successful prosecution under Operation Elbrus](#).

28 August 2019 – Former Plutus Payroll general manager sentenced

Joshua Kitson was the former general manager of Plutus Payroll. He was one of the key staff of Plutus Payroll who actively engaged in the fraud from an early stage. He performed a key role in concealing the conspiracy from legitimate clients and Plutus staff. He was involved in the payroll services company, siphoning off millions of dollars owed in PAYG withholding tax and GST through a complex network of companies. The money was laundered as loans, consulting fees and property investments.

Mr Kitson was responsible for recruiting, managing and maintaining Plutus's client base and its employment staff. The clients and employment staff were unaware of the fraud.

He played a key role in implementing the fraud, ensuring it succeeded and attempting to conceal and destroy incriminating material. For his role, he received approximately \$1.3 million in illegitimate funds.

Mr Kitson was the first Operation Elbrus offender sentenced. On 28 August 2019, in the Supreme Court of NSW he was sentenced to 4 years and 6 months jail with a non-parole period of 3 years.

Taskforce action on false invoicing arrangements

The Serious Financial Crime Taskforce is targeting false invoicing and other illegal financial arrangements.

Last updated 11 February 2025

On this page

[Businesses involved in illegal false invoicing arrangements](#)

[What is false invoicing?](#)

[Overview of SFCT operating model](#)

[What should you do?](#)

[Accessing the SFCT False Invoicing Intelligence Bulletin](#)

[Examples](#)

[Media releases](#)

Businesses involved in illegal false invoicing arrangements

The Serious Financial Crime Taskforce (SFCT) is warning businesses about using illegal financial arrangements such as false invoicing to cheat the tax and super system.

What is false invoicing?

False invoicing arrangements involve issuing invoices where no goods or services are provided. This can look like:

- an entity (the promoter) issues invoices to a legitimate business but no goods or services are provided

- the business pays the invoices, by cheque or direct transfer, and the promoter returns most of the amount paid to the owners of the business as cash
- the promoter keeps a small amount as a commission
- the business then illegally claims deductions and GST input tax credits from the false invoice
- the owners of the business use the cash they have received for private purposes or to pay cash wages to workers, and don't properly report the amounts in their tax returns.

Overview of SFCT operating model

The SFCT is equipped with the resources, sophisticated data matching, analytics capability, and intelligence sharing relationships to uncover even the most elaborate financial crime.

While most Australian businesses do the right thing, a small minority try to evade the tax system. This behaviour undermines the integrity of the tax and super system and disadvantages honest businesses who are doing the right thing.

We will effectively deal with those who engage in false invoicing, or other illegal financial arrangements, working with partner agencies where appropriate. Those who try to evade the tax and super system will get caught and face the full force of the law.

What should you do?

If you are a business involved in a false invoicing arrangement or other illegal financial arrangement, we strongly encourage you to come forward and make a **voluntary disclosure** rather than wait for us to contact you. We may be able to reduce your penalties.

Concerned members of the community who suspect a business or individual is involved in a false invoicing arrangement, can confidentially report a **tip-off online** or phone us on **1800 060 062**.

If you prefer to speak with us in a language other than English, you can phone the Translating and Interpreting Service (TIS National) on **13 14 50**.

Accessing the SFCT False Invoicing Intelligence Bulletin

To read the bulletin download the [SFCT False Invoicing Intelligence Bulletin \(PDF, 118KB\)](#) [🔗](#). This will download a file factsheet.

Examples

Example: courier business doesn't deliver the goods

Hannah runs a courier business using contracted drivers. Her turnover is good but she is eager to increase her profit margins by any means that she can.

While seeking new drivers, Hannah is put in touch with Dennis, who owns another courier business. He agrees to help her increase her profits through a false invoicing arrangement. Dennis makes it clear that the arrangement is not legal but assures Hannah the ATO won't find out as he's done it before and hasn't been caught. Hannah, wanting to boost her bottom line, is keen to be involved.

Dennis sends Hannah a 'false invoice' which indicates an entity has charged her for providing contracted drivers. However, no drivers turn up because Dennis never arranged any. Even though no services have been provided, Hannah pays the full amount through an electronic transfer. Dennis then arranges for most of the payment to be returned to Hannah in cash, keeping a small amount for himself as a commission.

Hannah uses the:

- the false invoices to submit fraudulent activity statements and income tax returns where input tax credits and deductions are falsely claimed
- the cash to pay for non-business expenses, including an expensive new car for her personal use.

Jamie is an investigator at the ATO. She comes across transactions from Hannah's business that don't look quite right. Hannah's records show that she has incurred over \$300,000 in

business expenses in her latest reporting period. This is much more than she has ever incurred in a single period before.

Jamie has also received other information about the false invoicing arrangement, including from a community 'tip off' provided by a member of the public.

Jamie contacts Hannah, but Hannah decides not to come clean about her involvement in the false invoicing arrangement. A full audit of Hannah's tax affairs is performed, uncovering the link between Hannah, Dennis and the false invoicing arrangement.

Hannah will be liable to repay the money she fraudulently obtained including additional penalties and interest and is now subject to a criminal investigation.

Example: plasterer tries to patch things up

Henry owns a plastering business. After a particularly difficult year, he confides in one of his suppliers that he is eager to improve his profit margin. The supplier tells him about a 'special' invoicing arrangement promoted by another plastering supplier named Chris.

Henry contacts Chris to learn how the arrangement works. Henry thinks it sounds questionable, but agrees to the arrangement so that he can boost his profits.

Chris provides Henry with a few plastering supplies, then provides him with a false invoice.

The invoice: is from an entity that doesn't appear to be connected to Chris says the entity provided 10 times as many items as Henry actually received.

Henry decides to pay the full amount of the invoice through an electronic transfer. Chris keeps the money owed for the supplies he actually provided, plus a bit more as a commission. He then returns the extra money to Henry in cash.

Henry then uses the false invoice he received to claim business deductions and GST credits on his business activity statement

(BAS).

Henry receives a refund for his BAS and asks Chris for another false invoice.

One of Henry's contractors overhears Henry discussing the arrangement over the phone and reports Henry's suspicious behaviour to the ATO's tip-offline.

The tip-off is referred to an ATO investigator and Henry's and Chris' tax affairs are reviewed.

Henry is found to have fraudulently claimed GST credits and business expenses of over \$200,000 that he was not entitled to.

Henry decides it is in his best interest to make a **voluntary disclosure** about his involvement in the arrangement.

He tells the investigator about how the arrangement worked and who was involved.

Henry is liable to pay back all the money he fraudulently obtained, however his penalties are reduced because of his voluntary disclosure.

As a result of the investigation, the false invoicing arrangement is dismantled. Chris is required to pay tax on the income he has hidden using the arrangement. Chris also faces further consequences, including potential prosecution, because of his role in promoting the arrangement.

If it seems too good to be true, it probably is.

Media releases

- Suspected criminal operation accused of laundering \$1 billion

Taskforce action on electronic sales suppression tools

How the Serious Financial Crime Taskforce is acting against electronic sales suppression tools.

Last updated 11 February 2025

On this page

Businesses illegally using ESSTs

Taskforce warning

What should you do?

Accessing the SFCT ESST Intelligence Bulletin

Case study

Businesses illegally using ESSTs

The Serious Financial Crime Taskforce (SFCT) is aware of businesses using electronic sales suppression tools (ESSTs) to under report their taxable income.

With an increased use of digital technologies and online interactions, we are seeing:

- businesses supplying and using ESSTs or software to avoid paying tax
- businesses connecting ESSTs to point-of-sale systems to
 - permanently delete, re-sequence or misrepresent transactions
 - reduce sales values
 - produce fake tax records
- ESSTs taking the form of cloud-based software and linking to domestic and offshore payment platforms.

It has been illegal to produce, supply, possess, use or promote ESSTs in Australia since October 2018.

Taskforce warning

The SFCT is providing a strong warning to businesses about ESSTs.

We understand there are sophisticated networks of operators actively developing and marketing these tools to small business owners. They often package them as an 'all-in-one complete business solution' with low commissions, website presence and an online ordering tool.

To identify these businesses, we use:

- intelligence and data on lifestyle indicators
- bank information
- small business benchmarks
- tip-offs from the community.

These businesses will be dealt with the full force of the law.

What should you do?

If you are a business using ESSTs, you should come forward and make a voluntarily disclosure rather than wait for us to contact you. We may be able to reduce your penalties.

Business owners should exercise reasonable care when choosing a point-of-sale and other business systems to ensure they:


- meet their business needs
- comply with the law.

If you suspect a person or business is involved in producing, supplying, possessing, using or promoting ESSTs or software:

- make a tip-off online
- phone the hotline on **1800 060 062**.

If you prefer to speak with us in a language other than English, you can call the Translating and Interpreting Service (TIS National) on **13 14 50** for help with your call.

Accessing the SFCT ESST Intelligence Bulletin

The bulletin warns businesses about the illegal use of Electronic Sales Suppression Tools. Download the [SFCT ESST Intelligence Bulletin \(PDF, 117KB\)](#)  factsheet.

Read this information in the following languages:

- Traditional Chinese
- Simplified Chinese
- Vietnamese

Case study

Choosing the right point-of-sale system

When purchasing a point-of-sale system for your business, make sure you exercise due diligence and thoroughly research a product before purchasing.

Dodgy operators are manufacturing point-of-sale systems with electronic sales suppression tools (ESSTs).

ESSTs take on many forms – devices, hardware, cloud-based software or sometimes something entirely different. This illegal software allows businesses to understate their income by untraceably falsifying, manipulating, hiding, deleting, or preventing the creation of selected transactions from their electronic records.

They are marketed to businesses as integrated business products and solutions with:

- online ordering
- interactions with web content
- registered and unregistered payment platforms
- FinTech services (such as mobile payment apps and online banking)
- marketing solutions.

Many of these are offered on a subscription service-based format, typically with ongoing weekly or monthly service fee offerings, with low upfront costs.

Through ESSTs these operators can:

- steal money

- steal client data
- hold business owners to ransom
- assume web domain names and
- alter public facing business information, such as hours of operation.

If it seems too good to be true, it probably is.

Example: Sabrina's fish and chip shop

Sabrina is the owner of a fish and chip shop. Her business has always been a cash business which made it easy to pay her employees from the till and under-declare her takings. Sabrina knew this wasn't right but she continued to try to find ways to avoid her tax obligations.

Tech-savvy Sabrina caught wind of a product that could help her reduce her tax income – an electronic sale suppression tool (ESST). She purchased a new point-of-sale system for her store from a dodgy operator who attached a cloud-based ESST to it.

For a while, Sabrina continued to run her business as usual. The illegal ESST manipulated the store's transaction records and she was able to delete and re-sequence transactions at the touch of a button.

Sabrina used the extra money to quickly pay off a large mortgage on a seaside property, buy a boat and transfer money to her family overseas.

What Sabrina didn't know was that one of her employees had noticed something strange. When closing up for the day, Paul observed that the point-of-system transaction record was showing unusually low profits for one of their busiest days. He proceeded to look over the previous week's transaction records and found that this discrepancy kept occurring. Paul found this suspicious, so he contacted ATO tip-off hotline to report it.

After the tip-off was received by the ATO, the matter was referred to the Serious Financial Crime Taskforce (SFCT) who began an investigation into Sabrina's tax affairs. Upon closer inspection, the SFCT found:

Sabrina's personal spending was up to 8 times the amount declared as income.

After a full review, the SFCT found that over 5 years of Sabrina running her business, there was close to \$4 million of business income not reported.

There was also strong evidence to show that Sabrina is well educated and had knowledge of correct business processes but made a deliberate choice to not declare her income correctly in her tax returns.

The estimated penalties that Sabrina is now liable for around \$1.4 million.

QC 73136

Serious Financial Crime Taskforce intelligence bulletin – targeting fraud in GST refunds

How the Serious Financial Crime Taskforce (SFCT) is targeting GST refund fraud.

Last updated 11 February 2025

On this page

Warning

What we are seeing

Taskforce target

Taskforce action

What you can do

Warning

The **Serious Financial Crime Taskforce** is warning businesses about using related-party structuring and false invoicing, and entering into artificial and contrived arrangements to cheat the tax and super systems.

Following intelligence and activities conducted by member agencies, the Taskforce is seeing increasingly frequent and significant occurrences of fraudulent high-value GST refunds. The behaviours seen range from real businesses inflating invoices and overclaiming to outright fraud using fictitious transactions in attempts to create high-dollar-value refunds.

What we are seeing

We are seeing sophisticated structuring arrangements between inter-related parties undertaken to obscure transactions and disguise artificial or fraudulent arrangements resulting in purported high-value GST refunds. These arrangements often involve high-value purported transactions or purchases, such as purchases of real property.

We believe there are networks of industry participants within established related-party groups who are involved in commercial arrangements that seek to exploit the GST rules in relation to inter-related party transactions.

The arrangements exhibit some or all of the following features:

- false invoicing between related entities (for example, inflating invoices or issuing invoices where no goods or services are actually provided)
- deliberately misaligning GST accounting methods across the group (for example, one entity operating on a non-cash basis while another uses a cash basis in order to contrive a GST refund due to the mismatched timing of the methods)
- duplicating GST credit claims in related entities for a single high-value transaction
- claiming GST credits for purported purchases, development or construction by related entities that never occurred
- the use of straw directors in an attempt to hide the true relationship between entities.

The Taskforce is seeing these behaviours amongst industry participants in the property and construction sector particularly but proliferating more widely across other sectors.

In many cases, groups appear to be using the high-value refunds generated from these activities to fund ongoing business activities, finance further purchases and expansion or to manage fluctuations in their cash flow.

Taskforce target

The Taskforce is targeting these behaviours to ensure a level playing field for those taxpayers who do the right thing.

Behaviours that exploit GST rules using artificial arrangements are fraud. These artificial arrangements are established to obtain a benefit from the tax system with no entitlement and may constitute tax crimes. It appears that some participants are induced to participate in these arrangements on the false belief that they are sharp practice but legally effective.

The Taskforce targets deliberate and organised tax fraud. It is currently focussing on compliance action related to these behaviours, including the possibility of criminal investigations, and to support the ATO to undertake promoter penalty actions against advisers and intermediaries who are encouraging taxpayers to adopt these behaviours.

Taskforce action

The Taskforce is warning businesses against using these types of arrangements. We are equipped with the resources, sophisticated data matching, analytics capability and intelligence-sharing relationships to uncover even the most elaborate financial crime.

While most Australian businesses do the right thing, a small minority try to defraud the tax system. This behaviour undermines the integrity of the tax and super systems and disadvantages honest businesses who are doing the right thing.

We will effectively deal with those who engage in GST fraud, false invoicing or other illegal financial arrangements. We will work with partner agencies where appropriate. Those who seek to defraud the


tax and super systems will get caught and face the full force of the law.

What you can do

If you are a business involved in a GST refund fraud arrangement or other illegal invoicing or financial arrangement, we strongly encourage you to come forward and make a voluntary disclosure rather than wait for us to contact you. Early cooperation and voluntary disclosure of behaviour may reduce the penalties we impose. You may wish to seek professional advice from an independent legal or tax professional.

If you are a concerned member of the community who suspects a business or individual is involved in a false invoicing arrangement or GST refund fraud, you can confidentially report to us by **making a tip-off online** or by phoning **1800 060 062**. You may request access to whistleblower protections.

If you prefer to speak with us in a language other than English, you can call the Translating and Interpreting Service (TIS National) on **13 14 50** for help with your call.

You can also download this information as a Portable Document File (PDF) – [SFCT intelligence bulletin – targeting fraud in GST refunds \(PDF, 120KB\)](#) .

This is a general summary only.

QC 103517

Fraud in the precious metals refining industry

Fraud in the precious metals industry is a focus for the ATO.

Last updated 11 February 2025



On this page

Why fraud in the precious metals industry is a focus for the ATO

Media releases

Why fraud in the precious metals industry is a focus for the ATO

Fraud in the precious metals industry or gold bullion fraud consists of a process where criminals:

- purchase GST-free gold bullion
- refashion it into scrap
- sell it inclusive of GST to a refiner.

The seller then claims GST input tax credits by falsely stating the GST-free gold bullion was purchased inclusive of GST under the GST second-hand rules.

The illegal manipulation of the government's interpretation of precious metals has been a focus for the **Serious Financial Crime Taskforce (SFCT)**, which has investigated participants alleged to have been involved in gold bullion fraud.

Some of the participants in the precious metals industry include:

- refiners
- bullion dealers
- gold kiosks
- dealers and buyers within established supply chains involved in gold recycling arrangements.

Some of these individuals have tried to exploit the GST rules in relation to precious metals.

These artificial arrangements are established to obtain a benefit from the tax system of which there is no entitlement and are tax crimes.

Tax crime affects the whole community, reducing the revenue collected to fund essential community services, including health and education.

Our message is clear to those who try to evade or cheat the tax system: there is no place for you to hide and we won't tolerate this behaviour.

To confidentially report any known or suspected illegal behaviour you can:

- complete the **tip-off form** (the form is also available in the contact us section of the **ATO app**)
- phone us on the ATO tip-off hotline on **1800 060 062**.

Our resources for participants in the precious metals industry include:

- Reverse charge in the valuable metals industry
- Sales covered by a reverse charge
- Determining whether the reverse charge applies to individual products
- Second-hand goods
- Record-keeping requirements

Additional information on gold bullion fraud was released in an [SFCT intelligence bulletin \(PDF, 120KB\)](#) [↗](#).

Media releases

- From gold bars to iron bars

QC 73048

Taskforce past media releases and audio grabs

Past media releases and audio grabs released by the Serious Financial Crime Taskforce.

Last updated 11 February 2025

On this page








Past media releases





Transcripts and audio grabs

The Serious Financial Crime Taskforce (SFCT) is a joint agency taskforce that brings the most serious offenders of financial crime to account. You can read past media releases and download audio grabs from this page.

Stay up to date with the latest SFCT media releases by **subscribing** to our general email updates.

Past media releases

- [Man sentenced for witness tampering in long-running tax evasion case](#) 
- [Three people charged with exploiting COVID-19 superannuation early release scheme](#) 
- Plutus payroll founder jailed in Operation Elbrus
- Organised crime investigation charges 12 over complex fraud
- Fourth person jailed for Operation Elbrus
- ATO zeroes in on COVID-19 fraud
- [Nowra man convicted for giving false or misleading information to ASIC about shareholding](#) 
- [Accountant faces court for allegedly helping client evade millions in tax](#) 
- [ASIC asks Federal Court to inquire into conduct of Gold Coast liquidator](#) 
- [Online fraud syndicate dismantled after allegedly siphoning millions from shares and superannuation accounts](#) 
- One Year In, J5 Making a Difference
- [Action underway against tax evaders](#) 

- [Serious financial crime taskforce smashes Australia's biggest ever tax fraud](#) 
- [Shining a light on offshore tax evasion](#) 
- [ACIC response to Panama papers](#) 
- [Accountant sentenced for a role in hiding client funds offshore to evade tax](#) 

Transcripts and audio grabs

- [Will Day: SFCT Identikit, audio download 1](#) 

Financial criminals deceive, cheat and steal from everyone and that's why the Serious Financial Crime Taskforce which includes experts from a range of law enforcement and other agencies is working hard to prevent, detect and disrupt the most serious forms of financial crime and this includes things like offshore tax evasion, illegal phoenix activity and even cybercrime.

- [Will Day: SFCT Identikit, audio download 2](#) 

Financial criminals deceive, cheat and steal from everyone and that's why the Serious Financial Crime Taskforce is working hard to prevent, detect and disrupt the most serious forms of financial crime and this includes things like offshore tax evasion, illegal phoenix activity and even cybercrime.

- [Will Day: SFCT Identikit, audio download 3](#) 

We know serious financial crimes can have a serious impact on the community. And that's why we're so excited to have launched an Identikit. This'll help people know the warning signs of serious financial crime like unexplained wealth or large cash payments and what to do if they have any concerns. Anyone who wants to learn more can now do so on the ATO website.

- [Will Day: SFCT Identikit, audio download 4](#) 

The Identikit we're launching describes the kinds of financial criminals that are deceiving, cheating and stealing from everyday Australians. It includes hard core criminals who are the key instigators and might be connected to crime syndicates. It includes cybercriminals who use technology to facilitate crimes as well as tax cheats and rorters.

- [Will Day: SFCT Identikit, audio download 5](#) 

The kit we're launching describes the kinds of characters we see in typical scenarios of financial crime in their business model. One group we're targeting that people may encounter is professional enablers. These are the people who use their legal, banking or accounting skills to help facilitate the crimes of others.

- [Will Day: SFCT Identikit, audio download 6](#) 

If you see something that doesn't feel right or suspect that someone may be involved in serious financial crime just let us know. Anyone can make an anonymous tip-off via the ATO Hotline on **1800 060 062** or by going to ato.gov.au/tipoff.

- [Will Day: SFCT Identikit, audio download 7](#) 

Financial criminals and organised criminals don't respect geographical boundaries, so it is important for regional Australians to better understand serious financial crime. These criminals suck millions of dollars out of our tax system for things that we all rely on such as health and education. So, if local residents do have any suspicions let us know by calling the ATO Tip-off hotline on **1800 060 062** or by going to ato.gov.au/tipoff.

QC 67228

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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