



## Three people jailed in NSW over \$5.8 million NDIS fraud

This is a joint media release between the Australian Federal Police, the NDIA, AUSTRAC, Services Australia and the ATO.

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Three people from New South Wales have been sentenced to a combined 12 years and 10 months' imprisonment for their roles in a multimillion-dollar fraud against the National Disability Insurance Scheme (NDIS) and Australian Taxation Office (ATO).

The two men and a woman have also been ordered to repay the Commonwealth a combined total of more than \$575,700.

The NSW trio faced the Sydney Downing District Court today (Thursday 31 October 2024) where:

- A Lidcombe man, 38, was sentenced to 6 years and 6 months' imprisonment, with a non-parole period of 4 years. He had pleaded guilty to two counts of conspiring to dishonestly obtain a gain from the Commonwealth (ATO and NDIA), contrary to section 135.4(1) of the *Criminal Code 1995* (Cth) and one count of dealing with property reasonably suspected of being proceeds of crime, contrary to section 400.9(1) of the *Criminal Code 1995* (Cth).
- A Ryde man, 41, was sentenced to two years and 11 months' imprisonment. The man is to serve 12 months' imprisonment before being released on a good behaviour bond. He pleaded guilty to one count of conspiring to dishonestly obtain a gain from the Commonwealth (ATO), contrary to section 135.4(1) of the *Criminal Code 1995* (Cth).
- A Lakemba woman, 33, was sentenced to 3 years and 5 months' imprisonment, with a non-parole period of 17 months. She had

pleaded guilty to one count of conspiring to dishonestly obtain a gain from the Commonwealth (NDIA), contrary to section 135.4(1) of the *Criminal Code 1995* (Cth).

The AFP launched Operation Pegasus in December 2020, in partnership with the National Disability Insurance Agency (NDIA), AUSTRAC and Services Australia, investigating several suspected fraudulent NDIS providers based in western Sydney.

Subsequent investigations identified a simultaneous fraud on the ATO involving the exploitation of the GST regime, with the ATO joining the investigation in 2021.

In April 2021, AFP officers, forensic specialists and partner agency members conducted operational activity across Sydney, resulting in the arrests of 5 men and 1 woman.

Police allegedly identified a syndicate operating across three companies to defraud the NDIS of millions of dollars in false claims, and of making false claims for GST refunds to the ATO. Some of the claims obtained NDIS funding for people who did not have a disability by providing false medical reports. The syndicate then accessed this funding for personal financial gain.

During the search warrants, the AFP seized 8 kg of gold bullion from a vault at a secure premises, worth about \$600,000, about \$600,000 in cash from multiple residential properties and \$635,176 in cryptocurrency. They also seized three vehicles, including a BMW M3, Audi Q7 and Porsche Cayenne with a combined value of about \$250,000, and a significant amount of jewellery.

More than \$2 million in suspected tainted assets, including those listed above, were seized during the search warrants, excluding the cash and funds from alleged syndicate members' bank accounts.

Two other men were sentenced in 2022:

- A South Granville man, 27, pleaded guilty to dealing in proceeds of crime worth \$1,000 or more, contrary to section 400.7(2) of the *Criminal Code 1995* (Cth) and dealing in proceeds of crime worth \$10,000 or more, contrary to section 400.6(2) of the *Criminal Code 1995* (Cth). On 14 September 2022, he was sentenced by the Sydney Downing Centre Local Court to 3 months' imprisonment for one offence and 6 months' imprisonment for the other, with the sentences to be served by way of an intensive corrections order.

- A Merrylands man, 26, pleaded guilty to dealing in proceeds of crime worth \$1,000,000 or more, contrary to section 400.3(2) of the *Criminal Code 1995* (Cth). On 16 December 2022, he was sentenced to 3 years' imprisonment, with a non-parole period of 18 months.

A Chester Hill man, 36, remains before the courts and is next scheduled to appear in court in March 2025.

AFP Superintendent Kristie Cressy said the AFP was committed to protecting the integrity of vital support services for those who needed them most.

"The outcome of this investigation sends a strong message to criminals that fraud against the NDIS will not be tolerated," Superintendent Kristie Cressy said.

"We will continue to work closely alongside our partner agencies to combat fraud and support those who genuinely rely on these services."

NDIA CEO Rebecca Falkingham said these verdicts reflected the hard work being done across many government agencies to put a stop to the defrauding of the NDIS, and ensuring every NDIS dollar went towards participant outcomes.

"People with disability and their families deserve to be protected from exploitation, and this is just another step in ensuring those expectations are met," CEO Falkingham said.

"The Fraud Fusion Taskforce (FFT), co-led by the National Disability Insurance Agency (NDIA) and Services Australia, continues to increase the NDIA's capability to detect, prevent and respond to any potential fraudulent and/or criminal activity against the NDIS.

"With 21 government agencies working together, the FFT has investigated hundreds of cases and billions in NDIS funding since being established in November 2022. This multi-agency approach is leading to increased sharing of information and an enhanced ability to prevent criminals from exploiting Australians living with disability."

AUSTRAC Acting National Manager Law Enforcement & Industry, Anthony Helmond said AUSTRAC worked with its law enforcement partners to make sure vulnerable Australians who needed support were not being ripped off by criminals.

“As Australia’s financial intelligence Unit, AUSTRAC’s specialist analysts have the unique skills to follow the money and help our partners find and stop syndicates involved in defrauding government assistance programs,” Mr Helmond said.

“In this case, we were able to identify the extent of the fraudulent NDIS claims made by these heartless criminals, and assist police in securing these arrests.”

Services Australia National Manager Leo Lahey said Services Australia remained committed to providing fraud detection, investigation and forensic capabilities to help fight against criminals seeking to exploit government programs and services.

“Operation Pegasus is a shining example of the effectiveness of interagency operations and combating the scourge of fraudulent activity directed at taxpayer money,” Mr Lahey said.

ATO Acting Deputy Commissioner Jade Hawkins said the ATO was committed to working with partner agencies to target criminal behaviour, particularly by those who found opportunities to exploit government systems used to support vulnerable Australians.

“This outcome should serve as a warning to those who deliberately try to defraud the government for their own personal gain. If you think you can live a lavish lifestyle from illegal gains, it’s only a matter of time before you’re caught,” Ms Hawkins said.

This matter was prosecuted by the Commonwealth Office of the Director of Public Prosecutions (CDPP) following a referral from the AFP.

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