



## Former consultancy employee faces fraud charges

A search warrant was executed at the Sydney residence of a former employee of a consultancy firm.

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This week, the Australian Taxation Office (ATO), with assistance of the Australian Federal Police (AFP), executed a search warrant at the Sydney residence of a former employee of a consultancy firm.

The man, who is not a registered tax professional, is alleged to have orchestrated a large-scale tax fraud. This was done through lodging false tax returns for clients of the consulting firm and then redirecting the refunds into his personal bank account. The consulting firm terminated his employment once this behaviour was discovered.

Up until the offending was detected, the individual was an employee at the consulting firm for 11 years. During the search of his Eastern Suburbs property, material including accounting records and text messages relating to his preparation and submission of tax returns was located.

It is alleged the individual, used his former company's credentials to access the ATO's Online Services for Agents and Online Services for Business. From there, the individual allegedly lodged tax returns on behalf of his so-called clients and redirected nearly \$1 million in refunds to bank accounts under his name.

One taxpayer contacted during the audit activity believed the bank account was his firm's trust account. The other taxpayer was unaware of any ATO refunds being claimed.

Assistant Commissioner Jade Hawkins hoped the action taken against this individual served as a warning to those in the industry considering this behaviour.

'We will not tolerate the actions of individuals in trusted positions who deliberately deceive people for their own personal gain.


'The ATO has extensive resources and capabilities specifically targeted to combatting fraud. We will continue to ensure those who seek to exploit the tax system are held to account.

'We urge all taxpayers to protect themselves by ensuring they only engage with registered tax professionals when seeking advice or lodging their returns,' Ms Hawkins said.

The ATO is committed to ensuring taxpayers personal information is secure and safe. The ATO app has security features that notifies you in real time when key changes are made to your account such as when bank account details are changed, and tax returns are lodged.

If something doesn't look right, you can lock your account to prevent further changes being made and to prevent refunds from being issued. Once locked, contact the ATO as soon as you can so we can discuss your security concerns and put additional security measures in place if needed.


You can download the ATO app for free only from Google Play or the App Store and visit [ATO.gov.au/app](https://ato.gov.au/app) to find out more.

The ATO reminds the community, especially at tax time, to always check a tax professional is registered with the Tax Practitioner Board (TPB). You can find a registered tax agent or check whether a person is registered by visiting the [TPB Register](#) .

TPB Chair, Peter de Cure, AM, confirmed the TPB's support for the action taken by the AFP and ATO.

'Clients and the public should be aware of unregistered preparers who might lodge false and fraudulent tax returns. Tax practitioners, exercising reasonable care and appropriate supervision, need to protect their data, systems and clients from attack. Clients and tax practitioners caught up in scams should review their affairs, if required with independent advice. Tax practitioners who respond with openness and transparency will deliver a better outcome for their clients and their firm.'

## Notes to journalists

- [A high-resolution headshot \(JPEG, 512KB\)](#)  of Assistant Commissioner Jade Hawkins is available for download from our media centre.
- ATO stock footage and images are available for use in news bulletins from our media centre.

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