



# The fight against tax crime

Our commitment to preventing, detecting and dealing with tax crime.

## Tax crime explained



Tax crime is abusing the tax and super systems for financial benefit.

## Our focus



Outlines the key areas presenting a higher risk that we pay particular attention to.

## What you can do



You can help protect Australia from tax crime and keep the system fair for everyone.

## News and results



Breaking news and significant outcomes in the fight against tax crime.

## What is tax fraud?



See what the Australian Taxation Office is doing to address tax

## ATO Fraud and Corruption Control Plan 2026



The ATO Fraud and Corruption Control Plan outlines our approach to managing fraud and corruption risks.

QC 33615

## Tax crime explained

Tax crime is abusing the tax and super systems for financial benefit.

**Last updated** 11 February 2025

Tax crime includes:

- hiding cash wages
- avoiding tax
- using complex offshore secrecy arrangements
- falsely claiming refunds and benefits.

There are serious consequences for tax crime. These include penalties, criminal convictions, fines, and prison sentences.

Tax crime poses a risk to the community from decreasing revenue available to government, and by its links with identity crime, money laundering and organised crime.

Tax crime can also have a devastating impact on an individual, for example if their identity is stolen. We take all forms of tax crime seriously and we are constantly improving our systems to tackle it and hold those who commit it to account.

## How we protect revenue

We have a range of strategies to provide a strong tax and super system that is an unattractive target for tax crime, by:

- taking firm action against people who are not doing the right thing and seize profits they make from participating in tax crime
- ‘whole-of-crime’ treatment approaches that drive long-term changes in participation in the tax system by removing the opportunity to commit fraud.

We strengthen our systems with advances in technology, law reform and collaboration with a growing network of local and international partners.

We collect information from a wide range of third-party sources, both public and private, with more than 600 million transactions reported to us annually.

Our usual data sources include income information from:

- banks and other financial institutions
- investment bodies
- state and federal government agencies.

The supply of this data is authorised by law. We match this data with our own information to detect those who may not be complying with their tax and super obligations or are attempting to commit fraud.

It is not just organised criminals that need to worry about our scrutiny – every tax evader who thinks their financial activities are invisible to us should think again.

## **Our data sharing is growing**

Our access to data is growing through local and international partnerships.

We have a multi-agency approach to audits, investigations and prosecutions to address the threat of tax crime to Australia's financial and regulatory systems. This means that our access to data is increasing every day, making it even harder to commit tax crime.

We work with other government agencies, Australian law enforcement, industry and overseas counterparts, including the Australian Financial Crimes Exchange, to share data, intelligence and expertise in the fight against tax crime. Some organisations, such as banks, employers, health insurers and other government agencies, have a legal obligation

to report your information to us so that it can be used for taxation purposes. This is known as legislated tax collection.

We also have powers to collect information for [data-matching](#) projects designed to address specific industries, issues or risks such as credit and debit cards, motor vehicles, online selling and share market transactions data matching programs. This is known as special purpose acquisition data.

We exchange information with our international treaty partners to ensure correct reporting of income earned overseas by Australian residents and income earned in Australia by foreign residents.

We also participate in multi-agency task forces involving federal, state and territory agencies.

Transnational transactions are a feature of the global economy. Revenue collection agencies around the world are increasingly sharing intelligence and expertise in financial investigations in the fight against tax crime.

## Technological advances

Advances in technology allow us to continuously strengthen the security and integrity of our system controls and data. Sophisticated technology, including data modelling, tracking and matching, means we identify illegal behaviour earlier.

We have a range of analytical models we continually refine to capture new and emerging tax crime methodologies.

[Data-matching](#) is a powerful administrative and law enforcement tool. Information from a variety of third-party sources is used for a range of education and compliance activities. Data matching allows us to:

- pre-fill tax returns, making it easier for people to lodge
- reassure the community we protect honest people and businesses from unfair competition
- ensure people and businesses:
  - lodge tax returns and activity statements when required
  - correctly declare their income and claim offsets and other benefits
  - comply with their obligations

- detect people and businesses operating outside the tax system, detect fraud against the Commonwealth and recover debt.

You can find out more about [how we use data and analytics](#) and how we respond to [data leaks](#).

## Law reform

We play an active role in advising the government on law reform that will limit opportunities for tax crime. We also work on law reform to increase our capacity for information sharing with other agencies.

## Prosecution and criminal conviction

People who commit tax crime can expect to be referred for prosecution before the courts by the Commonwealth Director of Public Prosecutions (CDPP).

When someone is found guilty of an offence the courts can impose security bonds, community service orders, fines, additional penalties and prison sentences.

A criminal conviction can also affect a person's employment and ability to travel outside Australia.

Read about [news and results](#) in the fight against tax crime.

QC 41316

## What you can do

You can help protect Australia from tax crime and keep the system fair for everyone.

**Last updated** 11 February 2025

Tax crime threatens the revenue our governments use to provide services to the community, and disadvantages Australians who do the right thing.

You can help protect Australia from tax crime and keep the system fair for everyone. We will follow up on any information you give us. However, due to privacy reasons, we will not be able to report back to you on other people's tax affairs.

## Make a tip-off

We know that most people do the right thing, but there are a small number of people who try to evade or cheat the tax and super system for their own financial gain.

If you know or suspect a person or a business is not playing fair by participating in phoenix, tax evasion and shadow economy activities, you can [make a tip off](#) by:

- completing a [tip-off form](#). The form is also available in the Contact us section of the [ATO app](#)
- calling us on **1800 060 062**.

You can also learn how to [report fraud, phoenixing, tax evasion, shadow economy activity, or unpaid super](#).

## Protect your information and your identity

We take the security and privacy of your personal and tax information very seriously. We safeguard your identity using systems and controls to ensure your information and transactions are safe. You also play a big part in protecting your information and making sure it is safe online. See [Online security](#) for more information.

## Tax whistleblowers

A new measure has been introduced by the government to better protect [tax whistleblowers](#). This measure better protects individuals who report breaches or suspected breaches of tax law. It also protects individuals who report misconduct relating to an entity's tax affairs. There are conditions that need to be met to qualify for protection as a tax whistleblower.

## Tell us if your identity has been compromised so we can help you

If you think your identity has been compromised, lost, stolen or misused, we can give you information, advice and [help](#) to re-establish your identity.

Contact our Client Identity Support Centre by phone on **1800 467 033** (8.00 am to 6.00 pm, Monday–Friday) or by emailing [IdentitySupport@ato.gov.au](mailto:IdentitySupport@ato.gov.au).

## If you are a victim of tax fraud

Find out what you can do if you have been, or suspect you have been, the [victim of tax fraud](#), and what support is available.

### If you are a victim of tax fraud



Find out what you can do if you've been, or suspect you've been, the victim of tax fraud, and what support is available.

QC 33608

## Making a tip-off

How to make a tip-off about community members who gain an unfair advantage by intentionally doing the wrong thing.

**Last updated** 7 November 2025

The term 'black economy' has now changed to [shadow economy](#). This change reflects the Organisation for Economic Co-operation and Development's (OECD) definition of unreported or dishonest economic activity.

## Importance of making a tip-off

Most Australians believe in a level playing field and feel it's unfair for others to gain a competitive advantage by intentionally doing the

wrong thing. This puts pressure on Australians who are doing the right thing and has broader impacts on our community.

We are committed to tackling illegal activity and behaviour of concern, especially when it comes to [phoenix activity](#), the [shadow economy](#), and tax evasion to protect honest businesses and the community.

Making a tip-off is not just limited to tax and superannuation issues. We want to hear when someone is gaining a competitive advantage over those who are doing the right thing.

You can tell us your concern, if you or someone you know is doing the wrong thing. Learn more about our [fight against tax crime](#).

## How to report

It only takes a few minutes to make a tip-off and you can remain anonymous. If you know or suspect phoenix, tax evasion or shadow economy activity, you can report it by:

- completing the [tip-off form](#) (the form is also available in the **Help & support** section in the [ATO app](#))
- phoning us on **1800 060 062**
  - if you prefer to speak to us in a language other than English, phone the Translating and Interpreting Service (TIS) on **13 14 50** for help with your call.
  - tax professionals can provide information by calling **13 72 86** (Fast Key Code **3 4**)
- lodging an [unpaid super enquiry](#) about your employer (but not about another business)
- writing to us. Mark all letters 'In confidence' and post to

**AUSTRALIAN TAXATION OFFICE  
TAX INTEGRITY CENTRE  
PO BOX 188  
ALBURY NSW 2640**

**Note:** Remember to make note of the reference number when you submit your [tip-off form](#). You will need to quote the reference number if you want to add any information later.

## Submitting supporting documentation



Where possible we recommend you submit additional supporting documentation or evidence via the tip-off form. Don't submit your original documents as we can't guarantee their return.

If you would like to submit supporting documentation or evidence in relation to a new tip-off, complete the tip-off form and follow the prompts to upload the attachments. Where you would like to submit an attachment regarding an existing tip-off, provide the tip-off reference number when prompted.

## **What you can report**

We want to hear about the following behaviours:

- demanding or paying for work cash in hand to avoid tax obligations
- not reporting or under-reporting income
- underpayment of wages
- tax evasion and fraud
- bypassing visa restrictions and visa fraud
- identity fraud or identity takeover
- Australian business number (ABN), goods and services tax (GST), and duty fraud
- illegal drugs and tobacco
- sham contracting – presenting an employment relationship as a contracting arrangement
- illegal phoenixing – deliberately liquidating and re-forming a business to avoid obligations
- involvement in tax avoidance schemes that go beyond the policy spirit of the law and involve deliberate steps to avoid the tax and super systems
- excise evasion
- illegal purchase of Australian property by a non-resident
- money laundering
- unregulated gambling
- counterfeit goods

- schemes targeting self-managed super funds (SMSFs)
- illegal early access to superannuation, including establishing an SMSF for that purpose
- fraudulent claims and behaviour of concern relating to government payments and subsidies.

## Concerns you may have

You might be offered:

- a discount for cash, a cash deal or a 'cashy', a discount for cash or mates' rates, generally without a receipt
- a job for cash wages, without payslips or superannuation entitlements
- an arrangement that promises tax benefits, such as inflating or artificially creating deductions
- access to your super before you're legally entitled, including setting up an SMSF to gain access.

You might see someone:

- not ringing up a sale on their till or keeping the till drawer open
- paying cash wages
- having 2 sets of books
- deleting transactions on the point-of-sale system
- avoiding paying child support or other obligations
- not declaring all their income
- claiming work-related expenses they are not entitled to
- advertising a tax planning scheme that is outside the intent of the law
- failing to lodge returns or keep proper records.

Other examples may include:


- business owners claiming personal expenses on a business account so they can claim deductions


- business owners not lodging their activity statement or tax returns
- business owners paying their employees late or less than they should
- business owners not paying superannuation or other employee entitlements – see [Super for employers](#) and [Working as an independent contractor](#)
- a small business tax client whose reported income falls outside our [small business benchmarks](#)
- tax professionals encouraging you to claim incorrect or inflated deductions, or to hide or incorrectly change income that you should be reporting. If you are concerned about the conduct of a tax professional, you should also select the TPB option in the tip-off form.


## **Tax professionals who are concerned about the conduct of another tax professional**

As a tax professional, you might:

- see others representing themselves as tax professionals when they are not
- be concerned about the inappropriate conduct of a client's previous tax professional. Consider a [voluntary disclosure](#) so your client avoids possible penalties and interest charges
- be concerned about the competency of another tax professional, such as whether an approved SMSF auditor is not meeting their obligation to conduct an independent and adequate audit
- hear about clients who have been offered or are involved in potential tax avoidance schemes
- hear about clients being offered early access to their superannuation by setting up an SMSF including borrowing or direct property purchases.

You can report your concerns directly to the [Tax Practitioners Board](#)  or to us using our [tip-off form](#).

From 1 July 2024, all registered tax and BAS agents must comply with [breach reporting](#)  requirements. You must notify the TPB (and the relevant recognised professional association if applicable) if you have

reasonable grounds to believe another tax or BAS agent has breached the [Code of Professional Conduct](#)  and that breach is a 'significant breach'.

## How to make a good tip-off

The more information you give us when making a tip-off, the better we can work to protect honest businesses and the community.

Even if you only know partial details or can only complete some sections of the tip-off form, this information is still very useful.

If you are reporting an individual, useful information includes:

- their name
- address
- phone number
- social media details (for example, usernames and profile addresses).

If you are reporting a business, useful information includes:

- name of the business
- ABN
- business address
- phone number
- website
- social media details (for example, page name and profile addresses).

Other useful information includes:

- information on a group or network, if there is more than one person or entity involved
- details of the behaviour you have identified, such as
  - hiding income
  - creating false expenses or tax deductions
  - not lodging tax returns or activity statements

- encouraging payment in cash with no receipt
- their income not supporting their lifestyle
- not paying correct super to employees
- using someone else's identity to claim refunds
- creating false or fraudulent documents or records
- deliberately liquidating and re-forming a business to avoid obligations
- presenting an employment relationship as a contracting arrangement
- undertaking unusual activities that do not seem right, such as crop growing or selling plain packet tobacco
- giving financial or legal tax advice that does not seem right.

It is helpful to include your contact details, so that we can contact you for further information if we need to.

## **Our response – the results**

When we receive information through a tip-off, we cross check the information and assess whether further action is required (see [Data matching](#)).

Different factors, such as the amount of detail provided, will help us assess your tip-off and enables us to act when appropriate.

Due to privacy laws, we won't be able to inform you of the progress or outcome of any investigation based on your tip-off. However, rest assured we take all tip-offs seriously.

## **Information we have received**

We received 48,917 tip-offs in the 2024–25 financial year. The most common behaviours reported were:

- taxpayers not declaring all income (63% of tip-offs)
- taxpayers demanding or paying for work cash in hand to avoid obligations (32% of tip-offs)

- taxpayers having a lifestyle that does not match their income (29% of tip-offs)
- all sales not being reported (27% of tip-offs).

**Note:** Disclosers can select multiple behaviours when making a tip-off.

Around 30% of tip-offs also report other unclassified behaviours, which allows us to keep track of emerging schemes and patterns of behaviour.

The top 5 industries reported for the 2023–24 financial year were:

- building and construction
- cafés and restaurants
- hairdressing and beauty services
- management advice and related consulting services
- courier pick-up and delivery services.

## What we have done with this information

Of the more than 48,000 tip-offs received and analysed in the 2024–25 financial year, approximately 85% were deemed as being suitable for further investigation.

Further investigation into tip-offs is carried out by our specialised teams and taskforces, such as the:

- Standing Taskforce addressing [shadow economy](#) activities
- [Illicit Tobacco Taskforce](#)
- [Serious Financial Crime Taskforce](#)
- [Phoenix Taskforce](#).

We have strategies for sharing information directly with external agencies (where permitted by law) while maintaining taxpayer and informant privacy. These agencies include:

- Services Australia
- Fair Work Ombudsman
- Tax Practitioner's Board
- Australian Border Force

- Australian Federal Police.

## Notable cases

Below are examples of tip-offs we received from the community, where sufficient information allowed us to undertake an investigation.

### Example: illegal tobacco seizure

A tip-off made to the ATO tip-off hotline resulted in a tobacco importation seizure.

Details of the tip-off were referred to the Australian Border Force-led Illicit Tobacco Taskforce (ITTf) for further investigation. The ITTf identified a shipping container mis-declared as 'fitness equipment'. Following an examination, the container was found to contain 744 kg of loose-leaf tobacco, equating to revenue evasion of approximately \$1,290,265 in duty and GST.

The illicit tobacco was seized and destroyed, due to it being a prohibited import and imported without the appropriate permit. Investigations remain ongoing.

### Example: amended income tax returns results in a debt of over \$170,000

A taxpayer amended their tax returns over several years to show additional income and tax paid, which resulted in tax refunds being paid to them.

The Tax Integrity Centre received intelligence about this. Through investigation, it was found that the taxpayer's employment records were not valid.

Within a month, we conducted an audit which resulted in shortfall penalties, relating to recklessness for income tax, and a debt of over \$170,000.

### Example: incorrectly claiming GST refunds

A taxpayer had claimed GST refunds for machinery that had not been purchased.

The Tax Integrity Centre received a tip-off about this. During examination, they identified a pending refund that was due to be issued to the taxpayer and put this on hold.

The case was escalated to audit and over \$70,000 in GST refunds were denied, as the taxpayer did not substantiate the claim.

## Your privacy

Your privacy is protected by the *Privacy Act 1988* and the strict secrecy provisions of the *Income Tax Assessment Act 1936*, the *Taxation Administration Act 1953* and other tax laws.

For more information, see:

- [Your privacy if you make a tip-off](#)
- [Short form privacy policy](#)
- [Tax whistleblowers](#) – qualifying for protection.

QC 16789

## If you are a victim of tax fraud

Find out what you can do if you've been, or suspect you've been, the victim of tax fraud, and what support is available.

Last updated 8 May 2025

## When fraud occurs



Fraud occurs when a person uses dishonest or deceitful means to gain a financial advantage.


This can come at the expense of unsuspecting victims, and activities can include intentional concealment, omission or perversion of the truth.

In rare cases, tax agents commit fraud and it may involve their clients.

## What you can do

If you suspect wrongdoing or believe you may be a victim of tax fraud, you should take the following steps to help protect against further harm:

- Contact the ATO Client Identity Support Centre on **1800 467 033**.
- Contact your financial institutions – alert your bank credit card providers, or any relevant financial institutions.
- Change your sign in method for affected accounts or records.
- Access ATO online services with a Strong myID. This sets your [online access strength](#), protecting you from fraudsters trying to impersonate you and gives you unrestricted access to our online services even where additional security safeguards may be applied to your ATO record.
- Reissue identity documents – contact the relevant authorities to request reissue of compromised identity documents.
- Regularly check your super accounts for any unusual transactions – contact your super fund if something doesn't look right.
- Report the incident to your local law enforcement authorities.
- Document everything – keep records of all communications, transactions and any evidence related to the fraud for future reference.

If you suspect the wrongdoing involves a tax practitioner, you can also lodge a complaint with the [Tax Practitioners Board](#) . We may request you to provide information such as the tax agent's contact details, documentation provided to the tax agent, and evidence of payments made.

If you suspect someone may be involved in fraudulent activity but you are not the victim of the fraud, you can report the activity by either:

- calling the [Tax Integrity Centre](#) hotline on **1800 060 062**
- completing the online [tip-off form](#). The form is also available in the contact us section of the [ATO app](#).

## What help we can provide

We are serious about fraud and supporting taxpayers who fall victim to it. We can help if fraudulent action has occurred on your behalf. This could be activity on your account without your knowledge or authority by a third party.

During the process of correcting your tax accounts, we may be able to help you in the following ways:

- [Extend time to lodge a replacement return](#)
- [Remit general interest charge](#)
- [Arrange to pay by instalments](#)
- [Provide help during audits or investigations](#)

### Extend time to lodge a replacement return

We may grant you a time extension if you are lodging a replacement return or activity.

This may be:

- 30 days from the date we notify you that we require a replacement tax return or activity statement
- extended based on your circumstances.

### Remit general interest charge

If it is fair and reasonable, we can remit (reduce or cancel) interest charged on unpaid tax debts or shortfall amounts that occur because of fraud.

### Arrange to pay by instalments

If an outstanding debt causes financial difficulties, we may allow you to pay instalments over an agreed time period.

## Provide help during audits or investigations

We will support you or your trusted tax agent during the audit process to correct your tax accounts after fraud has occurred.

## When we are unable to help

We are generally unable to intervene in civil matters where:

- we determine a lodgment or assessment is valid and reflects your current tax position
- any refund amount has already issued to the destination instructed by you or your authorised representative (such as your tax agent).

We are unable to help where there is insufficient evidence of fraud, or to trace misdirected or misappropriated funds. The parties involved need to resolve these matters. In these circumstances, you can consider seeking independent advice through the courts or by contacting consumer affairs bodies.

QC 61367

## News and results

Breaking news and significant outcomes in the fight against tax crime.

**Last updated** 11 February 2025

Efforts by the ATO and our partner agencies to tackle tax crime continue to pay off with successful prosecutions that deter criminal behaviour and enable us to collect tax that is properly owed to the Australian community.

### Find out about

- [Tax crime prosecution results](#)
- [Case studies](#)

## Tax crime prosecution results



We prosecute offences under the Taxation Administration Act 1953 and work with other agencies on tax-related fraud cases.

## Case studies



Our tax crime case studies demonstrate our firm action against those who try to cheat or evade the tax and super system.

QC 41317

## Tax crime prosecution results

We prosecute offences under the Taxation Administration Act 1953 and work with other agencies on tax-related fraud cases.

**Last updated** 4 September 2025

## Summary prosecutions

Under the *Taxation Administration Act 1953*, we prosecute a range of summary offences, including:

- failing to lodge a tax return, BAS or FBT return
- failing to comply with an information gathering notice
- failing to comply with a Court Order under s8G of the Tax Administration Act
- making false or misleading statements
- incorrectly keeping records.

Last year there were 369 prosecutions that resulted in 343 criminal convictions, reparation orders of \$25,386 and fines of over \$5.18 million.

Summary prosecution results

Year	Prosecutions	Convictions	Reparation orders (\$)	Fine (\$)
2024-25	369	343	25,386	5
2023-24	225	210	17,125	2
2022-23	177	174	458,785	2
2021-22	91	91	129,824	0.9
2020-21	198	192	56,400	1
2019-20	641	599	172,950	4
2018-19	1,152	1,094	229,458	8
2017-18	2,035	1,880	311,008	13
2016-17	2,190	1,952	32,039	14
2015-16	2,060	1,780	455,363	11
2014-15	1,614	1,540	56,675	9

<b>2013–14</b>	1,773	1,540	35,471	13
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# Tax crime prosecutions

We investigate more serious tax-related fraud offences, sometimes in partnership with the Australian Federal Police. Where the evidence warrants it, we refer cases to the Commonwealth Director of Public Prosecutions (CDPP) to consider prosecution.

Under the *Criminal Code Act 1995*, the CDPP prosecutes a range of indictable offences, including:

- obtaining financial advantage by deception
- dishonestly causing a loss to the Commonwealth
- forgery offences
- money laundering.

Last year there were 43 cases, resulting in 38 criminal convictions, 28 custodial sentences and \$7.08 million in reparation orders.

You can read about our most recent [tax crime prosecutions](#).

## Tax crime prosecution results

Year	Cases	Convictions	Custodial sentences	Reparation orders (\$m)
<b>2024–25</b>	43	38	28	7.08
<b>2023–24</b>	32	30	19	0.9
<b>2022–23</b>	26	23	11	1.7

<b>2021–22</b>	21	15	12	14.6%
<b>2020–21</b>	20	20	12	0.5%
<b>2019–20</b>	30	26	18	1.6%
<b>2018–19</b>	41	38	27	8.1%
<b>2017–18</b>	23	23	21	4.7%
<b>2016–17</b>	30	29	23	6.4%
<b>2015–16</b>	26	26	21	4.5%
<b>2014–15</b>	37	33	30	9.9%
<b>2013–14</b>	45	34	26	3.3%

## Serious financial crime offences

Our most serious tax crime matters are dealt with by the cross-agency [Serious Financial Crime Taskforce](#).

QC 50783

## Tax crime case studies

Our tax crime case studies demonstrate our firm action against those who try to cheat or evade the tax and super system.

**Last updated** 11 June 2024

While most Australians do the right thing, some people deliberately try to commit fraud and cheat the tax system.

The case studies show how we are cracking down on those who commit tax crime.

### **Serious Financial Crime Taskforce case studies**



As the lead of the Serious Financial Crime Taskforce (SFCT), the ATO is committed to combatting serious financial crime.

### **Financial crime case studies**



Case studies that demonstrate how we prevent, detect, disrupt and bring the perpetrators of financial crime to account.

### **Tax crime prosecution case studies**



Our tax crime prosecution case studies show that people who deliberately cheat the tax system will be held accountable.

### **Past tax crime prosecution case studies**



Our tax crime prosecution case studies show that people who deliberately cheat the tax system will be held accountable.

### **Illicit tobacco case studies**





Our case studies show how we're disrupting organised criminals involved in the serious offence of illicit tobacco.

### Organised crime case studies



Our case studies show we're dealing with organised criminals who cost the community billions of dollars in lost revenue.

### Illegal phoenix case studies



These case studies show how the Phoenix Taskforce is working together to disrupt illegal phoenix activity.

QC 58067

## Serious Financial Crime Taskforce case studies

As the lead of the Serious Financial Crime Taskforce (SFCT), the ATO is committed to combatting serious financial crime.

**Last updated** 4 June 2025

### What is the Serious Financial Crime Taskforce?

Most people comply with their tax obligations. However, there are a small number of people who deliberately do the wrong thing. The ATO-led SFCT was established to respond to this, targeting the more serious financial crimes in Australia.

The case studies on this page reinforce that those who deliberately cheat the system will be held to account.

Stay up to date on the latest SFCT outcomes by [subscribing to general email updates](#). Subscribers will receive updates on all new

general content on our website, including the latest SFCT case studies.

## **Government fraudster sentenced to jail**

Paolo Esmaquel was sentenced on 28 May 2025 in the Melbourne County Court to 18 months of imprisonment in addition to the jail time previously imposed for similar federal offences in November 2024.

She was charged with 3 categories of offending against Government at both federal and state levels: tax fraud, identity and counterfeiting fraud, and social security fraud.

The ATO worked collaboratively with other partner agencies across Government to hold Ms Esmaquel to account for her actions.

An operation conducted by the ATO-led SFCT uncovered her elaborate scheme to commit tax fraud by stealing the identities of 3 different individuals.

One of the assumed identities was registered by Ms Esmaquel as a tax practitioner with the Tax Practitioners Board (TPB). To do this, she submitted forged documents to the TPB that falsely claimed she completed the required tertiary education to become a tax agent and forged a declaration from a chartered accountant.

Following this, she set up a tax agent profile on ATO Online Services and linked several taxpayers to her account. Ms Esmaquel then lodged 10 fraudulent business activity statements on behalf of these taxpayers without their knowledge or consent.

As a result of the investigation, the TPB cancelled her tax agent registration.

Acting Deputy Commissioner and Serious Financial Crime Taskforce (SFCT) Chief Kath Anderson acknowledges the prevalence of identity crime, saying 'With a rise in scammers and cyber criminals out in the community, it's more important than ever to protect your personal identifying information. This case shows how far criminals will go to commit identity fraud and exploit the tax and super system.'

'We have strengthened our systems against fraud and financial crime through prevention, early detection, containment and consequences, such as the jail time Ms Esmaquel received'.

Read more in the [media release](#).

## **Former registered liquidator sentenced to prison**

Former liquidator Peter Amos has been sentenced to 4 years imprisonment for dishonestly gaining an advantage for his business and himself contrary to the Corporations Act.

Mr Amos was a registered liquidator and business owner of Amos Insolvency Pty Ltd (Amos Insolvency).

Between 6 October 2016 and 31 December 2022, Mr Amos transferred \$2,498,546 from the accounts of Mikcon Employment Services Pty Ltd, TPC (Vic) Pty Ltd, P O W 4X4 Pty Ltd, A-Force Electrics Pty Ltd, and Conomi Group Pty Ltd to Amos Insolvency.

ATO Deputy Commissioner and Serious Financial Crime Taskforce Chief John Ford welcomed the court's decision, saying the sentencing is a warning to those looking to use their position to exploit the system.

'This outcome sends a clear message to those who look to game the system to gain an unfair advantage – you will be caught,' Mr Ford said.

Read more about the outcome in the [media release](#) .

## **Woman sentenced for false claims and forged documents**

On 1 October 2024, Ashmita Sharma appeared before the Downing Centre Local Court in NSW for sentence.

Ms Sharma received two 18-month suspended sentences, to be served concurrently. She pleaded guilty to committing GST fraud, JobKeeper fraud and attempting to pervert the course of justice, contrary to sections 134.2(1) of the Criminal Code (Cth) and 43(1) of the Crimes Act 1914 (Cth) respectively.

Ms Sharma was also ordered to be of good behaviour for 3 years and repay the remaining \$26,426 in stolen funds to us.

In August 2020, Ms Sharma lodged:

- a false COVID-19 JobKeeper application on behalf of a dormant company that listed her father as the sole director, without his knowledge or authorisation

- 3 separate business activity statements
- a false claim for a Cashflow Boost Stimulus which was taken into account on sentence.

In total, Ms Sharma received \$30,926 as a result of the offending.

During the course of the matter, Ms Sharma was also charged with one count of attempting to pervert the course of justice by forging a medical certificate to avoid attending court.

Operation Hyacinth is part of a broader investigation by the SFCT into the misuse of government funds. Our message is clear; those who think they can steal and cheat the system for their own financial gain will be caught. Attempting to avoid these consequences can make the situation worse.

This SFCT matter was prosecuted by the Office of the Director of Public Prosecutions (Cth) (CDPP) following a referral from the ATO.

To report any known or suspected illegal behaviour you can either complete the tip-off form or phone us on our tip-off hotline on **1800 060 062**.

Find out more about the [Serious Financial Crime Taskforce](#).

## **Jail time takes the shine off gold bullion fraud**

Attempts to commit gold bullion fraud didn't have the outcome 2 fraudsters had planned.

The investigation, conducted under the ATO-led SFCT, revealed that Cedric Adrian Millner and Jonatan Kelu purchased GST-free gold bullion, refashioned it into scrap and then sold it inclusive of GST to a refiner. Millner and Kelu claimed GST input tax credits by falsely stating that the GST-free gold bullion was purchased inclusive of GST under the GST second-hand rules.

The reward for engaging in this complex \$40 million fraud activity was a sentence of 8 years in jail for both men, handed down in the Supreme Court of NSW.

These criminals thought their actions would go undetected, but our expert team of investigators uncovered the fraud and worked to solve

the case, bringing together thousands of documents and multiple data sets to form a solid brief that would ultimately be their downfall.

Operation Nosean was established to look at network participants in the gold bullion and precious metals industry. This included refiners, bullion dealers, gold kiosks, dealers and buyers within established supply chains involved in gold recycling arrangements, seeking to exploit the GST rules in relation to precious metals.

New laws were introduced in April 2017 to combat fraud in the gold bullion and precious metals industry.

Our message is clear to those who seek to evade or cheat the tax system: there is no place for you to hide and we will not tolerate this behaviour.

For more information see:

- [Reverse charge in the valuable metals industry](#)
- [SFCT intelligence bulletin \(PDF, 119KB\)](#) [↗](#)
- [From gold bars to iron bars](#)

## **Second sentencing for Australia's largest tax fraud case**

On 29 March 2018, Michael Issakidis faced the Supreme Court of NSW for his involvement in the largest prosecuted tax fraud case in Australia's history.

Alongside his co-conspirator Anthony Dickson, Issakidis deliberately absorbed \$450 million of otherwise assessable income. He did this using complex domestic and international trust and tax evasion structures. This caused a loss to the Commonwealth of \$135 million. By creating a web of false identities and siphoning money offshore, the pair acquired approximately \$63 million.

Issakidis was sentenced to 10 years and 3 months jail for his involvement in the operation. This followed the 2015 sentencing of Dickson, whose original 11-year sentence was increased to 14 years on appeal.

The significant penalties handed down to both Issakidis and Dickson demonstrate the success of the SFCT in dealing with those who deliberately cheat the system. 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 complex tax evasion schemes.

People who deliberately avoid paying the correct amount of tax will be caught and will face the full force of the law.

For more information see:

- [Operation Elbrus](#)
- [Serious Financial Crime Taskforce](#)
- [Joint Chiefs of Global Tax Enforcement](#)
- [Making a tip-off](#) – how to confidentially report tax crime to us.

### Australia's largest tax fraud case



Understand how Operation Beaupighter was set up and where the funds were moved to, also explained in an infographic.

QC 58431

## Australia's largest tax fraud case

Understand how Operation Beaupighter was set up and where the funds were moved to, also explained in an infographic.

**Last updated** 11 June 2024

### The scam

#### How it was set up

1. Four trusts were created to facilitate transactions between ANZ and large corporates under 'sale and leaseback' arrangements.
2. Complex arrangements were set up via NeuMedix Health Group for the purpose of obtaining a tax benefit. They resulted in tax liabilities

being distributed to NeuMedix from ANZ and other large companies in return for lesser cash payments.

3. NeuMedix entered into agreements with Athena Health Patents Incorporated (Cayman Islands) to acquire medical patents/inventions relating to the treatment of cancer and a surgical clip.
4. Athena Health provided inventors with a small amount of research funding and a promise of further payments if they were commercially successful in assigning intellectual property to Athena Patents.
5. Karkalla Biotechnology Group overvalued the patents in valuations provided to NeuMedix to convince the ATO that the patents were real.
6. Athena Health 'sold' intellectual property to NeuMedix at an inflated price.
7. Dampier Finance purportedly provided funding to NeuMedix to buy patents but no actual funds were exchanged. Involving an international finance company also intended to convince the ATO that the transactions were legitimate.
8. NeuMedix falsely claimed tax depreciation expenses on the acquisition of intellectual property, to ensure they had no actual tax liability from their involvement in the sale and leaseback arrangements.

NeuMedix Health Group's principal business activities included:

- investing
- developing
- commercialisation of medical technologies patents and related intellectual property.

## **Directors**

All companies were controlled by Anthony Dickson and Michael Issakidis:

- NeuMedix Health Australasia Pty Ltd
- Athena Health Patents Incorporated (Cayman Islands company)

- Karkalla Biotechnology Group (fake Samoan company)
- Dampier Finance (Samoan financier)
- Athena Global (UAE)
- Meed Inc (UAE).

## Proceeds of crime

**\$63,715,000** which was received from 4 unit trusts, with **\$68 million** actually received.

## The loss

The loss or risk of loss that was intended to be caused to the Commonwealth was **30% of approximately \$450 million** which was **approximately \$135 million** in the relevant years.

The balance of **\$300 million** in understated income had no tax paid on it in later years, with another **\$100 million** in tax also not paid.

## Money laundering

### Where the funds moved

- Dampier Finance – money was laundered from Australia into bank accounts in the United Kingdom (via Dampier Finance).
- Intrepid – money was transferred to Hong Kong (via Intrepid and Flying Dragon International).
- Athena Global – money was transferred to the United Arab Emirates (via Athena Global and Meed Incorporated).
- Athena Health Patents Incorporated – money was purportedly transferred to Athena Health (Cayman Islands) via Dampier Finance (Samoa).
- NeuMedix Health Group – \$63 million went back to Australia through loans paid to directors and associates.

NeuMedix made **\$63 million** in cash (proceeds of crime) from their involvement in the structured finance arrangement.

Money was spent to fund lavish lifestyles, including:



- cars – Rolls Royce, Lamborghini, Aston Martin, Mercedes and BMW
- yachts
- shopping
- holidays
- properties.

## Infographic

Find out more about [how the scams was set up and where the funds were moved to](#) [↓](#).

QC 60553

## Financial crime case studies

Case studies that demonstrate how we prevent, detect, disrupt and bring the perpetrators of financial crime to account.

**Last updated** 11 February 2025

## About financial crime

While the majority of people comply with their tax and superannuation obligations, there are a small percentage of people who deliberately abuse the tax and superannuation system for their financial benefit.

Financial crime is not victimless and has a serious economic impact on the community. It decreases the revenue that is available to fund essential community services. Funds that are illegally obtained are often used to facilitate other crimes causing real harm to real people.

Our financial crime case studies demonstrate that criminals who dishonestly target financial or revenue systems to extract money and misappropriate or hide illicit funds will be caught and prosecuted.

If you know or suspect that someone may be committing tax crime you can report it by either:

- completing the [tip-off form](#)
- phoning us on **1800 060 062**.

Stay up to date with the latest financial crime case studies by [subscribing](#) to our general email updates. You will receive updates on all new general content on our website.

## Serious outcome for fraudulent tax agent

On 23 February 2024, former tax agent Ismail Mustapha faced the Paramatta District Court. His charges included obtaining financial advantage by deception and attempting to obtain financial advantage by deception. In total, he defrauded the ATO of \$193,549 and attempted to obtain a further \$36,293.

Between 30 January 2018 and 11 April 2018, Mr Mustapha abused his position as a registered tax agent. He lodged 43 fraudulent income tax returns on behalf of individuals without their knowledge or consent, keeping the refunds for himself.

Mr Mustapha falsely advertised a job online, asking respondents to provide their personal details. Mr Mustapha then used this information to carry out the fraud.

Red flags were raised when a high number of lodgments were traced to Mr Mustapha's Tax Agent Portal.

The Tax Practitioners Board also investigated Mr Mustapha's misconduct and found he did not act with honesty and integrity and was no longer a fit and proper person to be a registered tax agent. His tax agent registration was terminated as a result.

Mr Mustapha was sentenced to 3 years imprisonment, to be served as an Intensive Correction Order with 500 hours of community service. He was also ordered to repay the \$193,549 he fraudulently obtained.

We work with partner agencies, including the Tax Practitioners Board to detect fraudulent activity and bring those who choose to engage in it to account. This outcome is also a timely reminder to [be aware of what you share](#) and treat all requests for personal information with caution.

## **GST fraud costs man more than 10%**

A man who conspired to lodge fraudulent business activity statements (BAS) has been convicted and sentenced to 10 years in jail with a non-parole period of 6 years and 8 months.

Li Zhang was involved with 2 companies that formed part of a group known as the 'Hightrade Group'. The Hightrade Group developed properties such as a hotel and golf course in the Hunter Valley, New South Wales.

Between February 2004 and June 2007, Mr Zhang conspired to lodge fraudulent BAS, intending to cause a loss to the Commonwealth of \$15 million by:

1. Establishing 3 tiers of companies:
  - a. Tier 1 – developer
  - b. Tier 2 – building companies
  - c. Tier 3 – suppliers
2. Making the Tier 1 developer contract the Tier 2 building companies to construct a development. The Tier 1 developer claimed they paid GST to the Tier 2 companies.
3. Having the Tier 2 building companies obtain supplies or labour from the small (shell) Tier 3 suppliers. The Tier 2 companies claimed they paid GST to the Tier 3 companies.
4. The Tier 3 companies existed solely to aid the Tier 1 and 2 companies in committing tax crime. They grossly inflated tax invoices – often for goods and services which didn't exist or weren't supplied.

Mr Zhang was able to obtain a refund as a person or entity can claim back the GST tax component of purchases made or supplies obtained by them in the course of their trade.

The complex investigation involved:

- an international extradition
- multiple search warrants
- hundreds of witness statements
- 220 lever arch volumes of evidence (approximately 80,000 pages).

Mr Zhang's sentencing demonstrates that people who deliberately try to cheat the tax system will be caught and prosecuted accordingly.

Our reach is far and our net is wide. There is no place to hide.

For more information read [Golf course developer finds himself in the rough after dodgy tax deals come unstuck](#), or find out more about how the [scheme was set up](#).

## **Tax agent gets 5-year ban**

The ATO targets tax evasion in many ways, including through investigations as part of the Serious Financial Crime Taskforce (SFCT). We make referrals to the Tax Practitioners Board (TPB) where it is identified that a tax agent is involved in misconduct.

A recent example of an ATO referral to the TPB saw them launch an investigation into the conduct of a tax agent. We provided the TPB with information and evidence to build the case. During the investigation the agent stated that they did not have any outstanding lodgments. However, at the time of making the statements, they did in fact have multiple outstanding income tax returns (ITR).

The TPB found that the agent failed to declare over \$16 million in assessable income in personal ITRs. This resulted in a tax shortfall of over \$7 million and penalties of over \$6 million being imposed. They also failed to lodge 54 business activity statements and 23 ITRs by their due date for themselves and their related entities.

As a result, the tax agent and their company's registration were terminated. Both were banned from reapplying for registration for 5 years. The Board Conduct Committee noted the findings from our compliance action.

For more information read the [Tax Practitioners Board](#) [🔗](#) case study.

## **GST fraudster sentenced over multi-million dollar scheme**

On 23 November 2020, following a successful joint investigation by the Australian Taxation Office (ATO) and Australian Federal Police (AFP), a 38-year-old fraud syndicate member was convicted in the Melbourne County Court for conspiring to defraud the Commonwealth of GST refunds totalling over \$5 million.

Michael Ray was a senior partner in a scheme where confidential taxpayer information was illegally obtained and used to create false entities and Australian business numbers (ABNs) and register them for GST. The fraud syndicate then lodged business activity statements (BAS) claiming false GST refunds. The refunds were directed to bank accounts that had been created using the stolen identities.

The scheme was uncovered by a taxpayer when they conducted a Google search and discovered their personal details located in a spreadsheet titled 'wolf2012'. The taxpayer reported what they had found to both the police and the ATO. The taxpayer's discovery uncovered a den of deceit for the agencies involved.

Mr Ray, the last pack member, pleaded guilty to conspiracy with the intention of dishonestly obtaining a gain from the Commonwealth. He was sentenced to 5 years imprisonment, with a non-parole period of 3 years, bringing the 8-year long joint investigation to a close.

Mr Ray's sentencing follows the sentencing of the scheme's orchestrator, Marc Christian, in May 2020. Mr Christian was sentenced to 12 months imprisonment, to be released after 6 months on a recognizance order, for money laundering and 5 years imprisonment, with a non-parole period of 3 years, for conspiring to dishonestly obtain a gain from the Commonwealth.

All convictions in relation to this matter are a successful result under the partnership of the ATO and AFP, who often work together to investigate serious criminal activities.

Tax crime affects the whole community. It reduces the amount of revenue available to fund essential community services.

This case demonstrates the power of [tip-offs](#) from the community. A tip-off could be the missing piece of the puzzle we need to successfully prosecute someone who is committing tax crime.

For more information, read the media release [GST fraudster sentenced over multi-million dollar scheme](#).

## **Two decades, two agencies, one investigation**

On 17 August 2020, Philip Northam faced the Brisbane District Court for his involvement as a key promoter in an intricate asset stripping arrangement.

He, and 4 other men who have previously been sentenced, initially touted that all tax laws are invalid and that no-one (persons or companies) need legally pay any tax. Their clients with companies that owed tax soon found that, despite their claims, we were pursuing those companies to recover the company tax they owed.

The fraudsters then established an intricate asset stripping arrangement to strip Australian companies of their assets and leave them in a position where they were unable to pay their tax liabilities.

The illegal scheme offered companies with a tax liability a way to transfer all assets of the company to directors and shareholders, leaving the company unable to pay its tax. Once the assets of the company were stripped, the company was dissolved. New directors and shareholders were put in as straw entities that had no means or intention to pay the tax liabilities.

Northam was sentenced to 6 years jail for his involvement in the scheme. This case demonstrates our commitment to maintaining the integrity of our tax system by catching those who evade their tax obligations no matter how long it takes.

The conviction of the fifth and final fraudster has brought the 19-year-long joint tax fraud investigation by the Australian Taxation Office and Australian Federal Police to a close. The investigation also resulted in almost \$4.5 million of lost revenue being recovered. We are tenacious when it comes to taking legal action against people who deliberately facilitate tax evasion arrangements.

For more information, read the media release [19-year tax fraud probe ends in jail time for scheme promoter](#)

For more information, see [Financial crime](#) and [The fight against tax crime – what you can do](#).

# Tax crime prosecution case studies

Our tax crime prosecution case studies show that people who deliberately cheat the tax system will be held accountable.

**Last updated** 8 September 2025

## Mining mogul unearths big jail time

A Western Australian mining company director has been sentenced to 7 years and 10 months in jail for fraudulently obtaining over \$1 million in GST refunds for his two companies.

Between 2017 and 2021, Adam John Waterman lodged 27 BAS for his companies, Fortuna SL Mining and Advent Exploration, which contained false information resulting in him obtaining a financial advantage for \$1,130,645 which he was not entitled to.

In each BAS Mr Waterman recorded a GST on purchases amount that was false and which resulted in GST refunds being paid into the company accounts.

In July 2019, the ATO informed Mr Waterman that Advent's BAS for July 2019 was under review and requested documentation to verify the information reported in the BAS. Mr Waterman provided the ATO with a number of false documents including invoices, bank statements and spreadsheets containing false information with the intention of deceiving the ATO.

In 2021 an official investigation was conducted, and Mr Waterman's full offending was detected.

In an interview Mr Waterman admitted he was being deceptive in emails, that he was the only person that would have lodged the BAS, and that his companies didn't spend the amount of money that he had claimed.

Alongside his imprisonment, he has been ordered to make reparations in the amount of \$1,130,645.

People who deliberately cheat the tax system will be caught and held to account.

You can phone **1800 060 062** to anonymously [report tax evasion and shadow economy behaviour](#) to us.

## Fake documents, real consequences

A Brisbane man has been sentenced to 2 years in prison after he was found guilty of fraudulently obtaining \$68,671 in tax returns and attempting to obtain a further \$131,618.

From 2018 to 2021, John Garry Hodgins lodged 17 tax returns relating to a number of different employers that included false information about his employment, earnings and expenses. As a result, Mr Hodgins was charged with 5 counts of dishonestly obtaining a financial gain.

During the audit process, Mr Hodgins failed to provide genuine evidence to substantiate his claims. Instead, he submitted falsified or misleading documents in an attempt to deceive auditors into accepting his claims.

He also repeatedly contacted the ATO client contact centre attempting to have his tax refunds released, even though they were under audit.

Mr Hodgins has been released on a good behaviour bond for 3 years. He has also been ordered to repay \$32,321.36.

People who try to evade or cheat the tax and super system will get caught and we will take firm action. We will not tolerate this type of behaviour.

You can confidentially report suspected tax crime to the ATO by completing the tip-off form or phoning the tip-off hotline on **1800 060 062**.

## Trustee digs up a (w)hole lot of trouble

A South Australian man has been sentenced to 2 years and 6 months in jail for dishonestly obtaining a financial advantage of \$60,049 and attempting to claim a further \$44,574.

Bradley Scott Pearce, with assistance from an associate, dishonestly lodged 9 monthly business activity statements (BAS) as a trustee for a hole digging business. He received refunds totalling \$35,467 which he was not entitled to. Mr Pearce attempted to receive a further \$24,105, but these refunds were stopped as the purchases he reported for the business could not be substantiated. Mr Pearce had no right to claim



the refunds, as the trust was not carrying out a business during the reporting periods. This activity resulted in the trust's Australian business number (ABN) being cancelled.

Under his personal ABN, Mr Pearce lodged 8 BAS, with 4 of the lodgments claiming GST refunds. He received GST refunds totalling \$24,582 which he was not entitled to. He also attempted to receive a further \$20,469, but these were stopped by the ATO.

Mr Pearce was convicted and will serve 12 months in jail. He has been ordered to repay the full \$60,049 he dishonestly obtained.

Receiving a criminal conviction is serious. It can have a significant impact on your reputation, career prospects and ability to travel overseas, as well as make it harder to borrow money or obtain insurance. When we see attempts to cheat the system, we take firm action.

You can confidentially report suspected tax crime to us by completing the [tip-off form](#) or phoning the tip-off hotline on **1800 060 062**.

## **Breach of bond leads to jail time**

A Western Australian man has been sentenced to serve a 4 month suspended jail sentence after breaching his good behaviour bond for failing to lodge his outstanding income tax returns (ITRs).

In March 2020, Robert Abreu was convicted of failing to lodge his ITRs for the years 2005 to 2019 inclusive. He was fined \$15,000 and required to lodge the outstanding ITRs within 3 months.

After failing to comply with the court orders, Mr Abreu was subsequently convicted and ordered to serve a 12-month good behaviour bond. He was also required to lodge the outstanding ITRs within 5 months.

Mr Abreu again failed to comply with the requirement to lodge his outstanding returns and was sentenced to 6 months imprisonment, to be released after 2 months. He was entered into a further good behaviour bond and required to lodge his outstanding ITRs within 6 months.

After repeatedly failing to meet his court ordered obligations and submit his outstanding returns, in October 2024 Mr Abreu was

sentenced to serve the remaining 4 months of his jail term immediately.

Non-lodgment cases are taken seriously and can have serious consequences. There is a big difference in falling behind then working with us to find a solution and deliberately and repeatedly doing the wrong thing.

## **Swan jailed for fraud**

Gavin Swan, a former tax agent, has been sentenced to 5 years in prison with a non-parole period of 3 years for dishonestly obtaining financial advantage by deception and knowingly dealing with proceeds of crime.

Swan fraudulently obtained almost \$600,000 in funds that should have been passed on to 127 of his clients. He submitted tax return amendments, COVID-19 JobKeeper payments, and cash flow boost for employers on their behalf, however diverted these payments into his own bank account.

For more information about this case, see [Banned tax agent jailed for fraud](#).

## **Capone jailed for dodging lodgments**

A South Australian business owner has been sentenced to 3 months imprisonment after failing to comply with court orders to lodge several outstanding business activity statements (BAS) and tax returns.

In May 2019, Robert Capone was convicted in the Adelaide Magistrates Court and fined \$12,000 for failing to lodge 18 BAS and 4 tax returns across several years. The court ordered Mr Capone to lodge the outstanding statements within 90 days, however he failed to do so.

Mr Capone was convicted for a second time in 2021 for failing to follow court orders to submit the outstanding BAS and tax returns. He was sentenced to 3 months imprisonment and released immediately on an 18-month good behaviour bond. The court again ordered Mr Capone to submit the outstanding statements within 6 months. Again he failed to do so, resulting in him breaching his good behaviour bond conditions.

Mr Capone then missed several court attendances relating to the breach of his good behaviour bond and was apprehended in April 2023 after a warrant was issued for his arrest.

Her Honour remarked that due to Mr Capone's blatant disregard for his taxation obligations, the only appropriate order was a sentence of imprisonment.

If you've made an honest mistake or are falling behind on your obligations, we will work with you to find a solution, but people who deliberately ignore their responsibilities and fail to engage with us will be held to account.

## **Lawyer fails to lodge**

A corporate lawyer from Western Australia has been convicted of 9 counts of failing to comply with a legal requirement under a tax law.

Mr Marcus Gracey pled guilty to failing to lodge his tax returns for 9 financial years between 2011 and 2021.

Mr Gracey only lodged his outstanding tax returns after prosecution began. These included a significant capital gain, which resulted in a substantial tax debt.

At the time of sentencing, Mr Gracey applied for no conviction to be recorded due to the risk of being dismissed by his employer. The courts rejected his application and on 11 March 2024 he was convicted of all charges and fined \$10,000.

In reaching their decision, the court highlighted the importance of offences like Mr Gracey's. This is because we need to be able to properly assess and collect tax owed. The court also said that:

- these offences are serious, prevalent and can be difficult to detect
- there is a need to deter people from committing these offences.

The impacts of tax crime are widespread:

- Receiving a criminal conviction can have a significant effect on your reputation, career prospects and ability to travel overseas.
- Tax crime reduces the amount of revenue available to fund essential community services such as health, education and welfare.

## Former tax agent found guilty

Former Sydney tax agent, Ahmed Afifi, has been found guilty and sentenced to a 3 year intensive corrections order. This was for dealing with the proceeds of crime after he lodged false and fictitious tax returns on behalf of his clients.

Under the intensive corrections order, Mr Afifi:

- will complete 430 hours of community service work
- is prohibited from associating with his ex-business partner
- was fined over \$20,000
- was ordered to pay reparation of over \$175,000.

Through his Darlinghurst-based accounting practice, Coreplex Consultants, Mr Afifi abused his position as a tax agent and received refunds relating to tax returns that contained false information. The tax returns were lodged on behalf of 4 separate clients. They resulted in more than \$175,505 in fraudulent refunds being released into a bank account controlled by Mr Afifi, without the consent of the taxpayers.

In 2018, we conducted an audit into the details claimed in the tax returns of several of Mr Afifi's clients. We found false information about:

- gross income amounts
- tax withheld amounts
- work-related expenses claimed as deductions.

Mr Afifi was disqualified from practicing as a tax agent and deregistered from the Taxation Practitioner's Board in 2018.

You can confidentially report suspected tax crime to us by completing the [tip-off form](#) or phoning the tip-off hotline on **1800 060 062**.

## Brothers busted for fake document scheme

Two brothers who ran an accounting firm have received criminal convictions for a scheme to falsify Commonwealth documents in order to obtain bank loans.

Yevgeni Bezhenar (also known as James) and Alexander Bezhenar of Halifax Business Consulting Pty Ltd (Halifax) in Melbourne were convicted on all counts after pleading guilty to several charges. They admitted commissioning the creation of false Commonwealth documents to obtain bank loans for their business and a number of clients. These included business activity statements (BAS) and notices of assessment (NOA).

We uncovered the scheme after auditing another matter and launched an investigation that saw search warrants executed at Halifax's office as well as an employee's home.

We found evidence that the Bezhenar brothers had paid employees and others to create false BAS and NOAs. These inflated sales or earnings, which would then be passed off as genuine to banks and other lenders.

In several cases, they had commissioned the firm's graphic designer, Eugene Vinarsky, to alter documents at their request.

The Bezhenar brothers would make handwritten amendments to the documents – sometimes doubling their clients' actual earnings. They then sent them to Mr Vinarsky to digitally manipulate.

Mr Vinarsky went to great lengths to make the documents look legitimate. In one email, he reminded his boss, Yevgeni Bezhenar, to only provide one of the doctored documents by facsimile or hard copy, to avoid someone noticing he had edited the original document's security stamp.

Mr Vinarsky was convicted for the part he played in the offending. He was sentenced to a 12 month community correction order requiring him to complete 200 hours of unpaid community work.

Yevgeni Bezhenar was convicted and sentenced to 10 months imprisonment. His brother, Alexander, was convicted and sentenced to 6 months imprisonment. Both were released immediately on a \$1,000 recognisance release order requiring them to be of good behaviour for 18 months.

Receiving a criminal conviction is serious. It can significantly affect your reputation, career prospects and ability to travel overseas.

If you know or suspect phoenix, tax evasion or shadow economy activity, report it to us by completing the [tip-off form](#) or phoning us on **1800 060 062**.

## Former tax agent jailed

A former tax agent has been sentenced to 6 years imprisonment with a non-parole period of 3 years and 6 months for claiming more than \$800,000 in fraudulent refunds.

In his capacity as a registered tax agent, Mr Peter Lines managed the tax affairs of numerous individuals and businesses.

Between December 2014 and January 2018, he submitted:

- several false tax returns in his clients' names without their knowledge or consent
- some valid tax returns for his clients but directed the corresponding refunds to bank accounts he controlled.

Mr Lines tried to conceal what he was up to. But it all started to unravel when his firm detected a series of abnormal transactions and reported them to us.

In total, Mr Lines obtained \$634,347 in fraudulent refunds, which he has been ordered to pay back. He also attempted to obtain an additional \$180,986.

As part of our response to the shadow economy, we are committed to taking action against the small number of people who threaten the integrity of the tax profession.

This matter was also referred to the Tax Practitioners Board. Mr Lines's tax agent registration has not been renewed.

QC 58778

## Past tax crime prosecution case studies

Our tax crime prosecution case studies show that people who deliberately cheat the tax system will be held accountable.

**Last updated** 15 August 2025

## **Past tax crime prosecution case studies**

### **Omitted income lands former tax agent in trouble**

A former tax agent who made false statements in a business activity statement (BAS) and tax return has been sentenced to 20 months imprisonment. He was released immediately on entering into a \$10,000 recognisance to be of good behaviour for 2 years.

Mr Ilias Temblalexis was a registered tax agent practicing as a sole trader under the name H&I Financial. He had more than 2,500 clients.

When we audited the business in 2018, we found Mr Temblalexis had drastically understated his income and GST on sales.

Our audit found the business's 2017 tax return understated his income by \$386,973, resulting in a tax shortfall of \$194,603.79.

We also discovered Mr Temblalexis only began reporting GST on his BAS from 1 July 2017, even though his business income had exceeded the reporting threshold a year earlier.

Further investigation found one of the BAS he'd lodged understated the amount of GST on sales by \$71,666.

Shadow economy activities like these are not victimless crimes. Not reporting or under-reporting income has broader impacts on our community, by reducing funds for essential services such as health, education and transport. It also makes it harder for honest businesses when others deliberately do the wrong thing to gain an unfair advantage.

In December 2019, the Tax Practitioners Board deregistered Mr Temblalexis as a tax agent for breaching the *Tax Agent Service Act 2009*.

### **Restaurateur served with jail term**

A McLaren Vale restaurateur has been sentenced to 5 years and 3 months imprisonment after being found guilty of fraudulently obtaining \$613,262 in GST refunds and attempting to obtain a further \$210,333 that was stopped by the ATO.

Between September 2016 and November 2017, Mr Brad Redman submitted 19 false business activity statements (BAS), which

considerably overstated the total sales and acquisitions of The Artel, the restaurant and gift shop business that he operated with his wife.

Several documents provided by Mr Redman throughout the audit contained inconsistencies, including:

- a sales summary from a point-of-sale (POS) system that was created in Microsoft Word
- a POS report claiming to cover the dates of 1 June to 31 June, despite there only being 30 days in June.

During our audit Mr Redman also supplied a forged medical document advising his wife was receiving treatment for cancer. We later checked with the doctor listed on the document, who confirmed she didn't write the letter and wasn't treating anyone by that name.

In sentencing, the magistrate described Mr Redman's offending as persistent and deliberate, and that his false claims about his wife's health were despicable. Mr Redman was sentenced to 5 years, 3 months and 2 days imprisonment, with a non-parole period of 3 years. He has also been ordered to pay \$599,122 in reparations.

Shadow economy activities like evading tax obligations and claiming more than what you're entitled to are not victimless crimes. They make it harder for honest businesses to compete and impact on our community by reducing funds for essential services such as health, education, transport and infrastructure.

## **5 years jail for serial GST fraudster**

A Queensland woman has been sentenced to 5 years imprisonment, with a non-parole period of 20 months, for attempting to fraudulently obtain more than \$650,000 in GST refunds, as well as other offences.

Ms Amanda Burman used ABNs that weren't linked to active businesses to submit a series of false claims for GST input tax credits.

While some of Ms Burman's earlier claims were paid, ATO audits found Ms Burman could supply no evidence to prove she was running a business. As a result, we advised Ms Burman that her claims were disallowed, and that her GST registration was cancelled.

Despite this Ms Burman repeatedly reactivated her GST registration and continued to make a series of fictitious claims. On each occasion, our checks confirmed Ms Burman couldn't provide any supporting



documentation that she was actually running a business, and each time her claim was disallowed.

In total, Ms Burman obtained a financial benefit of over \$150,000 and attempted to claim a further \$500,000.

Evading tax obligations, or trying to get more than you're entitled to, is a crime.

When you claim a refund, you're not entitled to, you're stealing from the community and disadvantaging everyone who does the right thing. It's not fair and it's not ok.

## **Property owner digs himself into a hole**

South Australian man David Csongrady has received a criminal conviction and been fined \$1,500, with orders to pay \$699.30 in reparation, after providing false documents to an ATO auditor about deductions for his rental property.

We started an audit into Mr Csongrady's 2018 tax return after noticing deductions for gardening repairs and maintenance for his rental property were unusually high. When we asked him to supply details about the expenses, Mr Csongrady provided us with photos of some tax invoices relating to hire of a skip bin and the removal of some dead trees.

But when we contacted the business that provided these services to check, we found some discrepancies.

The original tax invoice showed Mr Csongrady hired the skip for \$210, but the record he supplied to us showed \$1,090. And an additional \$1,000 had also been added to the invoice for tree removal.

Following an investigation, Mr Csongrady was charged with 2 counts of incorrectly keeping records with the intention of deceiving or misleading a Commonwealth public official.

Receiving a criminal conviction is serious. It can have a significant impact on your reputation, career prospects and ability to travel overseas, as well as make it harder to borrow money or obtain insurance. It's not something you can just sweep under the carpet. We know and trust that most people do the right thing. But when we see attempts to cheat the system, we take firm action.

## **False claims land swimming teacher in hot water**

A former swimming teacher has been sentenced to 3 years jail for obtaining and attempting to obtain more than \$250,000 in fraudulent GST refunds.

Ms Sasha Cordes lodged several original and amended business activity statements for her swim school business. In each case, she knowingly overstated the purchase amounts to obtain a financial advantage.

In total, \$97,114 worth of fraudulent GST refunds were paid into her back account. She also tried to obtain an extra \$181,947, but we stopped these refunds.

Ms Cordes will be released from jail after 15 months, on entering into a \$1,000 recognisance on the requirement that she be of good behaviour for 2 years. She was also ordered to repay the full \$97,114.

In sentencing, His Honour noted that the offending involved both deception and dishonesty and had been committed over an extended period.

As this case highlights, people who deliberately cheat the tax system will be caught and held to account.

You can:

- phone **1800 060 062** to anonymously [report tax evasion and shadow economy behaviour](#) to us
- read about more recent Tax crime prosecution case studies.

## **Past Operation Protego case studies**

### **Thitikorn Thanawong sentenced to 2 years and 8 months jail**

Thitikorn Thanawong recklessly dealt with \$296,212 that was the proceeds of indictable crime. She spent the entire amount on holiday expenses, transfers to associates and luxury retail purchases.

She was sentenced to 2 years and 8 months in jail, to be released on a recognisance release order after serving 10 months, upon entering recognisance of \$2,000 and to be of good behaviour for 2 years.

For more information, see [Luxury spender jailed through Operation Protego](#).

## **Craig Hamilton sentenced to 2 months and 2 weeks jail**

Craig Hamilton was sentenced to 2 months and 2 weeks jail, released immediately on a security of \$500 and to be of good behaviour for 2 years for dealing with the proceeds of indictable crime. Mr Hamilton obtained and dealt with \$80,000 of fraudulent funds.

Mr Hamilton reactivated a past Australian business number (ABN) operating as a construction project manager. In February 2022, 4 business activity statements (BAS) were lodged for the business and he claimed GST refunds that he was not entitled to.

During the audit process, several red flags were identified:

- No website or social media presence existed for the business.
- Reported expenses exceeded his actual earnings.
- Identical expense amounts were reported every quarter.
- 80% of his income came from government benefits.

Mr Hamilton's bank records also didn't indicate any business expenses or wages being paid. Instead, his expenses were largely spent on fines and fees, takeout, and supermarket purchases.

Of the \$80,000 obtained, \$72,905 was recovered from the bank after Mr Hamilton's account was frozen. This left a balance of \$7,094 which he was ordered to repay.

## **Tahra Wyntjes sentenced to 4 years jail**

Tahra Wyntjes was sentenced to 4 years jail with a non-parole period of 2 years and 4 months. She was charged with one count of obtaining a financial advantage by deception and one count of attempting to obtain a financial advantage by deception.

Ms Wyntjes obtained \$599,349 in fraudulent GST refunds she was not entitled to and attempted to obtain a further \$259,976, which was stopped by ATO officers.

Ms Wyntjes registered for both an Australian business number (ABN) and for GST in November 2021 for a residential cleaning business. Between November 2021 and March 2022, she lodged fraudulent business activity statements (BAS), which ATO officers quickly noticed and began investigating.

Ms Wyntjes was ordered to repay \$599,349 by the court.

For more information, see [Victorian woman sentenced over GST fraud](#).

## **Aman Akol sentenced to 6 months jail**

Aman Akol was sentenced to 6 months jail, released on a security of \$1,000 and good behaviour for one year. She was charged with one offence of obtaining a financial advantage by deception, and one offence of attempting to obtain a financial advantage by deception.

Between 20 October 2021 and 2 March 2022, Ms Akol conspired with an online associate to dishonestly lodge 7 business activity statements (BAS) for a cleaning business that did not exist. These lodgments resulted in Ms Akol fraudulently obtaining \$85,759 in GST refunds she was not entitled to and attempting to obtain a further \$27,960.

Aman Akol is the sister of Arec Akol who was charged and sentenced with similar offences in January 2024.

## **Lee Sheridan sentenced to 2 years jail**

On 6 September 2024, Lee Sheridan was sentenced to 2 years in jail, to be released after having served 6 months, for dealing with the proceeds of crime (GST fraud).

Mr Sheridan received and spent fraudulent GST refunds totalling \$377,820 after he provided his personal details to an individual who lodged 38 original and revised monthly business activity statements (BAS) on his behalf.

For more information, see [Operation Protego holds Perth offender to account](#).

## **Joshua Mitchell sentenced to 18 months in jail**

On 31 May 2024, 33 year-old Joshua Mitchell was sentenced to 18 months imprisonment, partially suspended with a \$2,000 recognisance, under supervision and good behaviour. Mr Mitchell was also ordered to pay reparation of \$24,200.

Between 11 March 2022 and 2 April 2022, Mr Mitchell dishonestly lodged one original and one revised business activity statement (BAS), for a business that did not exist. He fraudulently obtained a total of \$24,200.

During the same period, he disposed of almost all the proceeds he had fraudulently obtained through payments to associates, streaming services and restaurants.

## **Lisa McCormick sentenced to 2 years 6 months jail**

Lisa McCormick was sentenced to 2 years and 6 months jail and ordered to repay \$39,600 in fraudulent funds. After serving 12 months, she will be released on a security of \$5,000 and good behaviour for 18 months.

Between 3 March 2022 and 30 April 2022, Mrs McCormick lodged 3 fraudulent business activity statements (BAS) and as a result, received a GST refund of \$39,600 which she was not entitled to. She also tried to obtain a further \$9,820.

While undergoing investigation, Mrs McCormick sent 8 false documents to the ATO which she was later charged over.

She was charged with 2 counts of obtaining financial advantage by deception, one count of attempt to obtain financial advantage by deception, and one count of using a false document with the intention of dishonestly inducing a Commonwealth public official.

## **Arec Akol sentenced to 3 months jail**

Arec Akol was sentenced to 3 months jail, released on a security of \$5,000 and good behaviour for a year. She was charged with one count of obtaining financial advantage by deception.

Ms Akol had registered an Australian business number (ABN) for a cleaning business which didn't exist. Seven fraudulent business activity statements (BAS) were then lodged between 1 April 2021 and 28 February 2022.

In total, Ms Akol claimed a GST refund of \$69,461 which she was not entitled to. She was ordered to repay this amount in full.

## **Adam Mitchell sentenced to a community corrections order of 15 months**

Adam Mitchell was sentenced to a community corrections order of 15 months after being charged with one offence of dealing in money or property that was the proceeds of crime worth \$10,000 or more.

Mr Mitchell had registered an Australian business number (ABN) in 2017 and registered for GST reporting on 8 April 2022. On 22 April 2022, he lodged a fraudulent business activity statement (BAS) claiming a GST refund of \$18,000.

In addition to the community corrections order, Mr Mitchell was ordered to repay the Commonwealth the full amount he had fraudulently claimed.

QC 102643

## Illicit tobacco case studies

Our case studies show how we're disrupting organised criminals involved in the serious offence of illicit tobacco.

**Last updated** 19 February 2025

### About illicit tobacco

[Illicit tobacco](#) is a form of organised crime and includes:

- tobacco grown, manufactured or produced in Australia without a licence
- imported tobacco for which no duty has been paid.

With our cross-agency partners, we manage the risk associated with domestically grown and manufactured illicit tobacco products.

Our case studies show how we achieve this; from uncovering illicit tobacco growing operations to prosecuting the organised criminals involved.

Stay up to date with the latest illicit tobacco case studies by [subscribing to our general email updates](#).

If you suspect illicit tobacco is being grown or manufactured in your community, confidentially report it to us by [making a tip-off](#) or phoning **1800 060 062**.

## Duo sentenced for illicit tobacco crime

In December 2024, two Victorian men, Dominic Fotia and Omar Chkhaidem, were sentenced for their roles in an illicit tobacco manufacturing syndicate that was operating across 2 properties in the Goulburn Valley.

The sentencing follows a joint operation between the ATO and Victoria Police in 2017 where a total of 10.75 tonnes of illicit tobacco was seized across the 2 properties. Officers raided a property in Cobram and found approximately 6,250 kilos of tobacco. Following this, the ATO executed a second search warrant where another tobacco crop of approximately 4,500 kilos was seized. The total combined potential excise value was more than \$4.1 million.


The second property was uncovered following a tip-off from a member of the community. Community tip-offs are one of our best sources of information when it comes to letting us know about suspected fraud or other concerning behaviour. If you suspect that illicit tobacco is being grown or manufactured in your community, report it to the ATO online at [www.ato.gov.au/tipoff](https://www.ato.gov.au/tipoff), or phone **1800 060 062**.

When sentencing the men, Judge Peter Rozen said the 'tobacco planting operation was well planned and sophisticated, the amount of tax evasion was significant and that the sole motivation was for financial gain.'

Assistant Commissioner Jade Hawkins says this outcome is another example where community tip-offs can be one of the most effective sources of intel to help extinguish and dismantle these pervasive illicit tobacco networks.

Signs that illicit tobacco is growing nearby include:

- intense labour production typically between November and May
- suspicious enquiries about land for lease
- unexplained use of water resources, and
- large crops of leafy plants that may resemble kale, cabbage or corn.

Visit [www.ato.gov.au/illicittobacco](https://www.ato.gov.au/illicittobacco) and download our [illegal tobacco infographic \(PDF, 695KB\)](#)  for more information about illicit tobacco and how we are fighting back.

## **Man found guilty of possessing illegal tobacco**

Duy Cao has been sentenced to 12 months imprisonment and fined \$10,000 for possession of illicit tobacco products. The sentence is to be served as an Intensive Correction Order in the community and includes 250 hours of community service.


On 27 April 2023, New South Wales (NSW) Police and Fire and Rescue NSW attended to a fire that had started in a freezer at the back of Mr Cao's home. After the fire was extinguished, the emergency service officers found the freezer contained sealed bags of illicit loose-leaf tobacco.

Upon further inspection of the house, police officers located numerous cardboard boxes which contained unopened packets of cigarettes and a travel bag filled with rolls of tobacco. Shortly after, police officers attended the Tobacconist operated by Mr Cao and located further sealed bags of illicit loose-leaf tobacco and unopened packets of illicit cigarettes.

In total, police found over 458 kilograms of loose-leaf tobacco and 3,730,380 illicit cigarettes. The total excise avoided was over \$5.1 million.

Mr Cao was charged with one count of possession of 100 kilograms or more of illicit tobacco and one count of possession of 5 kilograms or more of illicit tobacco.

Acting Assistant Commissioner Justin Clarke said, 'Those who choose to become involved in the sale of illegal tobacco are supporting organised criminals to fund other significant criminal activities. These criminals take vital funding away from essential community services such as healthcare, education and infrastructure.'

For more information about illicit tobacco in the retail sector see our [illegal tobacco infographic \(PDF, 695KB\)](#) .

## **\$2.2 million in illicit tobacco taken for a ride**

Basel Hboos has been sentenced at the Sydney Downing Centre Court for possession of illicit tobacco products. He was sentenced to 12 months imprisonment but was released immediately and will serve a



12 month community corrections order. The court also ordered the forfeiture of his truck.

In June 2022, NSW police officers on patrol investigated Mr Hboos' truck which was suspiciously parked beside a road in the suburb of Yennora.

The officers searched Mr Hboos' truck and found 1,981,200 illicit tobacco cigarettes with a total excise value of more than \$2.2 million.

Mr Hboos later faced court and was charged with possessing 500 kilograms or more of illicit tobacco.

Assistant Commissioner Jade Hawkins said that while illicit tobacco may appear to be cheaper, it comes at a cost.

'Illicit tobacco takes away from community services such as health, education and infrastructure. It all adds up, and we will work to remove illicit tobacco from crop to shop.'

'We continue to work with federal and state government and law enforcement agencies, like the NSW Police, to stamp out illicit tobacco.'

For more information about illicit tobacco in the retail space see our [illegal tobacco infographic \(PDF, 695KB\)](#) [📄](#).

## **Tobacco crop gets the chop**

In March 2023, the ATO joined forces with Victoria Police to raid a property in Bunbartha, Victoria. When officers arrived at the property, they discovered 4 distinct tobacco plots, consisting of over 10 acres of mature tobacco plants.

Mature tobacco plants range between 1.5 to 2.5 metres tall, leafy and can be easily recognised by their distinct long, trumpet-shaped white-pinkish flowers. They may also resemble kale, cabbage or corn.

Officers measured the area of each plot and undertook sampling on the leaves and flowers to confirm they were illicit tobacco plants. The crops were then destroyed.

Weighing around 11,458 kilograms, the crops had a potential excise value of over \$19 million.

Assistant Commissioner Jade Hawkins says this raid should serve as a warning to anyone considering participating in the illicit tobacco trade.

'Engaging in the illicit tobacco trade is a serious offence and is far from victimless. It takes vital funding away from essential community services and instead channels it directly into the hands of organised crime,' Ms Hawkins said.


'At the ATO, we have advanced capabilities that allow us to detect, disrupt and dismantle illicit tobacco operations.'

It has been illegal to grow tobacco in Australia for more than a decade. Penalties for growing, selling or possessing illicit tobacco are significant. If convicted, criminals may face up to 10 years' imprisonment, a fine of up to \$412,500, or both.

The key signs you can look for that indicate illicit tobacco is growing in an area include:

- intense labour production typically between November and May
- large, leafy plants that resemble kale, cabbage or corn and may have a pink flower growing on top
- unexplained and potentially unlawful use of water resources
- unusual enquiries about land for lease.

If you recognise these signs, report it to the ATO online at [www.ato.gov.au/tipoff](http://www.ato.gov.au/tipoff), or phone **1800 060 062**.

Visit [www.ato.gov.au/illicittobacco](http://www.ato.gov.au/illicittobacco) and download our [illegal tobacco infographic \(PDF, 695KB\)](#)  for more information about illicit tobacco and how we are fighting back.

## **'Hard to find' illicit tobacco grower sentenced**

A 54-year-old man, Imad Fatrouni, has been sentenced to a 16-month suspended intensive correction order and completion of 150 hours community service for being involved in a large-scale illicit tobacco manufacturing operation in Peats Ridge, NSW.

In April 2020, officers from the ATO and NSW Police Force executed a search warrant at a rural property, following a community tip-off.

At the time of the search warrants, 69,000 kilograms of illicit tobacco crops, equal to the weight of approximately 3 bulldozers, along with tobacco leaf located in 2 large greenhouses and 2 drying kilns were

seized and destroyed. Equipment from a large industrial shed housing a tobacco production setup and other tobacco related machinery were also seized.

An associate of Mr Fatrouni advised police that they 'would not catch up with him as he is hard to find'. However, Mr Fatrouni did eventually face court and was charged with:

- producing 500 kilograms or more of tobacco plant
- possessing 500 kilograms or more of tobacco leaf.

For those who believe they are outside the law and continue to grow and sell illicit tobacco, our message is clear – it's only a matter of time before you are caught.

Mr Fatrouni knew this himself, with analysis of his seized phone finding a link to a media article about an illicit tobacco seizure on an unrelated farm. An omen he clearly ignored.

We work with federal and state government and law enforcement agencies, like the NSW Police Force, to stamp out illicit tobacco. Illicit tobacco operations can take time to investigate, uncover and prosecute those involved. Disrupting the illicit tobacco supply chain makes our officers' efforts worthwhile; it stops black market tobacco making its way to the streets.

QC 71064

## Organised crime case studies

Our case studies show we're dealing with organised criminals who cost the community billions of dollars in lost revenue.

**Last updated** 11 February 2025

## What is organised crime

[Organised crime](#) can involve a range of criminal activities including:

- illicit drug activity

- tax or other fraud
- identity or cybercrime
- money laundering
- crimes against people (such as human trafficking).

While it often takes place behind closed doors, organised crime poses a national threat to Australia and a direct threat to our community. It costs Australia up to [\\$68.7 billion each year](#) [↗](#).

Under the Commonwealth Organised Crime Strategic Framework, we have a shared responsibility to address the impact of serious and organised crime.

Our case studies show how, with the help of our cross-agency partners, we are effectively dealing with organised crime.

Stay up to date with the latest organised crime case studies by [subscribing to our general email updates](#).

## Teeth whitening kits, French Bulldogs and gifts

In June 2018, the Queensland Police Service (QPS) intercepted a vehicle with \$235,000 of concealed cash in 2 packages. The driver of the vehicle claimed that the funds were from:

- the sale of teeth whitening kits at local markets
- the sale of French Bulldogs on Facebook
- a gift from the driver's mother.

As the large amount of cash was deemed suspicious, the QPS referred the matter to the ATO, who started an audit. The markets had no record of the man, the sale of the dogs was conducted by his father on a different Facebook account and the man only kept monetary gifts at his residence, rather than concealing them in his vehicle. The ATO also reviewed the man's financial statements and identified numerous unexplained cash deposits.

The audit also revealed the man's 2018–19 tax return was outstanding and so the ATO issued a default assessment to the man. The ATO issued a garnishee notice and collected the total amount payable,

\$148,960 from the QPS. The ATO's message is clear to those who evade or cheat the tax system: there is no place to hide. Australia will not tolerate this behaviour.

## **More than \$75,000 collected from suspected drug trafficker**

In November 2018, the Queensland Police Service (QPS) executed a drug premises search warrant at a property in Ipswich, Queensland. The male person of interest was alleged to have been involved in drug trafficking and had criminal links to outlaw motorcycle gang members.

The ATO conducted an audit of the suspected drug trafficker, who had not lodged a tax return since 2004. The audit found the man had failed to report his income and had instead been claiming a disability pension since 2012, receiving a pension of \$20,000 in 2018. The man had a 2013 Toyota Hilux dual cab ute registered in his name and 2 trailers, which didn't correspond with his pension. He was also suspected of owning 2 Harley Davidson motorcycles, but these were not registered in his name.

The ATO issued assessments to the man for the period from 2013 to 2019, estimating his total undisclosed income tax amount to be \$78,996.03. A garnishee notice was issued and \$76,497.90 was collected in May 2019.

The ATO works with partner agencies, such as the QPS, to deter, detect, disrupt and deal with tax crime.

## **Almost \$750,000 seized from drug dealer**

In 2018, the ATO received a referral from a law enforcement agency and started an audit of a male person of interest for failing to report his income. The man had not lodged a tax return for over 20 years, despite allegedly running numerous small businesses and earning income. He was also involved in selling illicit drugs for cash.

The man used the earnings from the illegal activities to fund his extravagant lifestyle. He neglected his tax obligations and in doing so deprived the community of funds that could have been used for essential services.

The Commissioner issued assessments for the 2013 to 2016 income years and the total amount payable was \$1.8 million.

In 2016, the New South Wales Police issued a search warrant on the man and seized \$748,775 thought to be the proceeds of his illicit activity. The ATO issued a garnishee notice to collect part of the outstanding debt and \$748,775 was applied against it.

Organised crime is estimated to cost the community up to \$47 billion each year. These criminal activities – which may involve drug dealing, firearms and money laundering – cause extensive harm to our communities.

By removing cash from organised criminals such as this man, the ATO is helping disrupt organised crime and putting money back into the Australian economy where it belongs.

## **Illegal alcohol is a whiskey business**

Although beer and wine can be made legally at home for personal consumption, a licence is required to make spirits, even if they are intended for personal use.

On 10 April 2019, the ATO executed search warrants at an address in Riverglades, South Australia, and exposed an illegal alcohol operation.

The operation is alleged to have involved the manufacture and sale of illicit alcohol from the premises for approximately 4 to 5 years.

Following information provided to Crime Stoppers, the ATO worked with the South Australian Police Licencing Enforcement Branch to uncover equipment and ingredients used in the manufacturing of illicit alcohol along with 21 bottles of suspected illicit alcohol.

Illicit alcohol is extremely dangerous to consume due to the volatility of the distillation process. Spirits brewed illegally at home may cause blindness, brain damage or death from methanol poisoning. Methanol is a harmful compound that has been significantly reduced or removed entirely from commercially produced alcohol.

The outcome of this case shows the important role the wider public plays in helping to sink the illegal alcohol trade.

**Watch:**

**Media:** Distil the facts about alcohol.

<https://tv.ato.gov.au/ato-tv/media?v=bd1bdiub87koiw>  (Duration: 0:30)

## Slamming the brakes on organised crime

In May 2017, as part of an Australia-wide week of action, the ATO worked with state and federal police to target a number of bikie gang members for tax evasion.

The ATO served lodgment demand notices, debt collection notices and court attendance notices to approximately 200 outlaw motorcycle gang (OMCG) members. The tax records of associated professional enablers, namely lawyers and accountants, were also scrutinised.

This effort was part of Operation Morpheus – a joint-agency taskforce that falls under the AFP-led National Anti-Gangs Squad (NAGS). The objective of the taskforce is to disrupt individuals who may be deriving wealth from serious and organised criminal activities.

Throughout the 2015–16 financial year, 688 taxpayers were targeted under Operation Morpheus. This resulted in \$5.9 million collected and 25 people prosecuted for non-lodgment.

While the majority of taxpayers do the right thing, those who choose to engage in illegal activity can expect to face the full force of the law.

For more information see [Organised crime](#).

QC 59175

## Illegal phoenix case studies

These case studies show how the Phoenix Taskforce is working together to disrupt illegal phoenix activity.

**Last updated** 11 February 2025

## Transport operator forced to hit the brakes

Coordinated Phoenix Taskforce action disrupted the business model of a road transport business with a long history of illegal phoenix behaviour. Working together, several Phoenix Taskforce member agencies issued simultaneous garnishees to trade debtors to collect a substantial amount of unpaid tax debt.

As a result, the operator entered into payment arrangements with each agency, and has returned more than \$1 million to the community.

The director was also issued with a series of director penalty notices for non-payment of employee entitlements, which could make him personally liable for any further dishonest behaviour.

The taskforce action also prompted the operator's major fuel supplier to change its credit terms, limiting the supplier's risk of being impacted by further phoenix behaviour.

## **Information sharing results in cash seizure**

The arrest of a man suspected of running a phoenix operation in the property and construction industry led to the return of revenue to the community.

During the man's arrest, police uncovered financial records and cash. Information sharing between Phoenix Taskforce members helped us confirm more than \$1.6 million in unpaid tax debts, and allowed police to seize the cash.

## **Labour hire syndicate brought into line**

A labour hire syndicate who used illegal phoenix behaviour to cyclically liquidate businesses has been ordered to pay back more than \$2 million.

A tip-off from investigations into GST refunds exposed the phoenixing syndicate, who were regularly liquidating business entities after they had racked up significant debt.

Investigations found more than 100 people were employed by the syndicate's businesses, none of whom were paid any superannuation while working for the companies. In total, over \$5.6 million in liabilities were raised. Not paying tax and superannuation debts gives illegal phoenix operators an unfair advantage over honest businesses that do the right thing.



The group has now been brought back into the tax and superannuation system, and are now paying their employee's superannuation on time. They have payment arrangements in place to repay previous debts, with more than \$2 million repaid to date.

## **Bankruptcy for former property developer**

Collaboration between Phoenix Taskforce agencies resulted in a property developer losing his building licence and being disqualified as a company director. The property developer had liquidated entities 6 times in five years, leaving creditors, including business partners, with more than \$160 million in unpaid debts.

The development group had been subjected to 46 previous ATO compliance activities and owed more than \$7 million in current and written-off debt to the ATO alone.

The Supreme Court found the man, along with his wife and their associated entities, guilty of falsification of bank statements, appointment of shadow directors, and unauthorised withdrawal of funds.

For their dishonest behaviour the taxpayer lost their NSW and Queensland building licences, and were ordered to pay over \$9.4 million. As a result, the taxpayer entered into bankruptcy, and was disqualified from being a company director.

## **ATO action against liquidator**

Sydney-based Mr David Iannuzzi was disqualified from practising as a registered liquidator for a period of 10 years. The Federal Court found he had been systemically negligent in his responsibilities as liquidator over an extended period of time and across more than 23 companies.

This case marked the first time the ATO initiated Federal Court proceedings using *Corporations Act 2001* provisions to seek orders against a liquidator.

The Federal Court found that Mr Iannuzzi's:  
'systemic conduct was certainly reckless; it fell very far short of the conduct that was to be expected of him; it demonstrates that he failed to observe the obligations of candour on him with regard to disclosing relevant circumstances to creditors; it reflects poorly on his character;

and it demonstrates that he is not a fit and proper person to remain registered as a liquidator.'

For more information see [Illegal phoenix activity](#) and [Phoenix Taskforce](#).

QC 61041

## What is tax fraud?

See what the Australian Taxation Office is doing to address tax fraud.

**Last updated** 11 February 2025

## What we are doing

Fraud is a shared risk across the community and requires everyone to work together to prevent and detect it.

We are continuing to detect and disrupt significant volumes of attempted fraud right across the tax, superannuation and registry systems.

We have [enhanced our systems](#) to protect people's personal information from criminals by putting additional checks in place to prevent and contain attempted fraud. These include [client-to-agent linking](#) and [online access strength](#).

We have strengthened our ability to detect and prevent fraud through partnerships, technologies and approaches to help stay ahead of criminal behaviour. Using the data we have available, we continually monitor and adjust our systems to ensure that we can respond swiftly when these criminals pivot.

The dollar value of attempted fraud stretches into billions of dollars which, if lost, would mean less funding for important services such as health, education and infrastructure.

We take our role seriously to protect taxpayers from risks such as [identity fraud](#) and [scams](#) impersonating the ATO.

We continue to focus on bringing to account those who do the wrong thing while educating Australians on how to [protect your personal identifying information](#).

We partner with law enforcement agencies to prosecute those who commit fraud. This includes state and territory law enforcement partner agencies and the [Serious Financial Crime Taskforce](#) (SFCT), who are pursuing a significant number of criminal investigations. We've already seen people receive jail time for these types of crimes.

We continue to recover fraudulently obtained funds through a range of [debt recovery strategies](#).

## Counter Fraud Program

The Counter Fraud Program (CFP) provides \$187 million over 4 years from 1 July 2024 to prepare our systems to adopt industry best practices and implement new fraud prevention capabilities. These will strengthen ATO systems and controls, helping us prevent, detect, monitor and respond to identity crime enabled fraud attacks on our systems.

The CFP will see detection, containment, consequence and protection working together as one to enhance the tax, superannuation and registry systems against financial crime and fraud.

This bolsters our ability to fight back against the growth we see in identity crime enabled fraud and scaled fraud attacks across our digital services.

Building on these new measures, we will continue to grow the capability and tools we need to respond to fraud in an increasingly agile and sophisticated way.

We will make it easier for taxpayers whose identity has been compromised by helping them adopt stronger security and improve how we address fraudulent activity on their ATO account.

We are also implementing real-time messaging in the ATO app to alert taxpayers to high-risk online transactions and allow them to lock their account.

## Types of fraudsters

Tax fraud can be undertaken by:

- first person fraudsters – people who commit fraud against the ATO using their own identity, or the identity of an entity that they control
- second person fraudsters – intermediaries who use the identity of an ATO client to commit fraud against the ATO (such as, tax or BAS agents committing fraud on their client accounts)
- third person fraudsters – people who use the identity of an ATO client they do not know to commit tax fraud (such as, obtaining an identity through a scam or data breach)
- enablers – people who use their skills, structures and networks to help facilitate fraud (such as to create opportunities for first, second and third person fraudsters to commit tax fraud).

## Examples of tax fraud

When individuals or businesses commit tax fraud, they are trying to avoid paying their tax obligation, reduce their tax obligation or claim funds they are not entitled to. First and second person fraud indicators we look for include:

- failing to lodge a tax return or business activity statement (BAS)
- deliberately under-reporting income
- not reporting income
- [claiming false deductions](#)
- claiming personal expenses as business expenses
- falsely lodging BAS statements for GST refunds, for example in [Operation Protego](#).

See examples in our [Tax crime prosecution case studies](#).

## Third person fraud indicators

People carrying out third person fraud use the identity of an ATO client who they do not know to access ATO systems and make changes to client details. Third person fraud involves a fraudster:



- obtaining personal identifying information (PII) relating to an ATO client from a scam, data breach, theft or other means

- using the obtained PII to assume the identity of the ATO client and dishonestly access ATO systems
- using dishonest access to ATO systems to steal information, and may attempt to transact with the ATO to obtain refunds they are not entitled to.

We hold those who commit tax fraud to account. See our [Tax crime prosecution results](#).

## What you can do

Fraud prevention is everyone's responsibility. By following these tips, you can help to protect yourself:

- Be aware of what personal details you share, and keep your [information safe](#) online.
- Use a [Digital ID](#)  to access our online services and set your [identity strength](#)  at the highest level you can achieve.
- Download and use our [ATO app](#).
- Take prompt action when you think you may have had your [identity compromised](#) in any way. For example, by arranging cancellation and re-issuing of relevant government identity documents and notifying us so we can add additional protections.

If you suspect someone may be involved in fraudulent tax activity, you can report it at [ato.gov.au/tipoff](https://ato.gov.au/tipoff) or by phoning **1800 060 062**.

QC 103696

## ATO Fraud and Corruption Control Plan 2026

The ATO Fraud and Corruption Control Plan outlines our approach to managing fraud and corruption risks.

## Foreword

I am pleased to introduce the ATO's 2026 Fraud and Corruption Control Plan (the Plan), which sets out our approach to managing fraud and corruption risks across the Australian Taxation Office listed entity, including the Tax Practitioners Board (TPB) and the Australian Charities and Not-for-profits Commission (ACNC).

As the Accountable Authority of the Australian Taxation Office listed entity, I am responsible under section 10 of the Public Governance, Performance and Accountability (PGPA) Rule 2014, and the supporting Commonwealth Fraud and Corruption Control Framework, to take all reasonable measures to prevent, detect and respond to fraud and corruption. This includes documenting and implementing a fraud and corruption control plan and reviewing it regularly to address emerging risks.

We have no tolerance for fraudulent or corrupt behaviour. These behaviours undermine trust in Australia's tax system and can cause significant harm to the community. Our commitment is to minimise risks to reduce the occurrence and impact of fraud and corruption through strong prevention strategies, early detection, and effective response. This Plan provides practical guidance for ATO officials and stakeholders on recognising risks, integrating controls into decision-making, and knowing how to seek advice or report concerns.

The environment in which we operate is increasingly complex. Fraud and corruption threats are evolving rapidly, driven by technological change, cybercrime and organised criminal activity. Insider threats remain a critical focus area, requiring vigilance and robust security measures. These challenges demand that we think ahead, strengthen our controls, and act decisively when risks materialise. To reinforce this, enhancing counter-fraud measures is now one of our enterprise priorities in the *Australian Taxation Office corporate plan 2025–26*, focusing on support and prevention first, with direct consequences for repeated or deliberate non-compliance.

Implementing this Plan is central to maintaining the integrity of our systems and aligns with the ATO's broader integrity framework and the Australian Public Service reform agenda. Through leadership,

governance and collaboration, we will continue to protect the revenue that funds essential services for Australians.

Each of us has a role in safeguarding the integrity of the ATO and I encourage you to familiarise yourself with the Plan and incorporate its requirements into your daily work. By actively identifying risks, reporting suspected fraud or corruption, and upholding the highest standards of conduct, we can maintain the trust that the Australian community places in us.

Thank you for your continued vigilance and commitment.

Commissioner of Taxation  
Registrar of the Australian Business Register,  
Australian Business Registry Services, and  
Register of Foreign Ownership of Australian Assets

## Introduction

The Commissioner of Taxation is responsible for administering Australia's tax system and aspects of Australia's superannuation system. For the purposes of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the Commissioner is the accountable authority for the Australian Taxation Office (ATO), the Tax Practitioners Board (TPB) and the Australian Charities and Not-for-profits Commission (ACNC), including the ACNC Advisory Board. The Commissioner is also Registrar of the Australian Business Register (ABR), Australian Business Registry Services (ABRS) and the Register of Foreign Ownership of Australian Assets.

The ATO, the TPB and the ACNC share various services and processes and comply with common policies and instructions. All staff of the listed entity are ATO employees and have a role in building and maintaining integrity and dealing with risks through action, leadership and governance.

When required, the ATO will collaborate and share data with external agencies such as the AFP, law enforcement and other multijurisdictional agencies to investigate allegations of fraud or corruption.

The Plan documents the strategic and operational approach to controlling fraud and corruption affecting the Australian Taxation Office listed entity. It ensures compliance with the requirements of section 10 of the *Public Governance, Performance and Accountability*


(PGPA) Rule 2014 (PGPA Rule) and Commonwealth Fraud and Corruption Control Framework and supports agency requirements for an insider threat program with obligations listed in the Protective Security Policy Framework (PSPF) and associated with the TOP SECRET-Privileged Access (TS-PA) Standard.

To meet these obligations, the Plan:

- outlines the ATO's fraud and corruption control framework
- articulates the ATO's approach to managing fraud and corruption risks
- explains strategies the ATO uses to train officials and raise organisational awareness
- supports the ATO's Integrity Framework and is reinforced through governance and reporting arrangements
- incorporates the legislative requirements for an insider threat program in the ATO.

## ATO landscape

The ATO, including the TPB and ACNC, interacts with a vast number of taxpayers, clients and partners in the community and each group has different requirements and outcomes they seek from the tax, superannuation and registry systems.

 Image shows the ATO landscape for 2024–25: 12.6 million individuals not in business; 942,500 employers; 224,800 not-for-profit organisations; 46,500 public and multinational groups linked to 104,500 entities; 4.9 million small businesses, plus an additional 2.6 million individuals linked through their influential role (director, partner, shareholder, beneficiary); 653,900 super funds, including 653,500 self-managed super funds, 157 large super funds, and 649,100 small APRA-regulated super funds; 271,700 privately owned and wealthy groups linked to 1.3 million entities; 38,200 tax practitioners, comprising 27,200 registered and active tax agents and 11,000 active and registered BAS agents.

## Risk tolerance

The ATO does not tolerate any fraudulent or corrupt behaviour, and we manage this by taking all reasonable measures to prevent, detect and



respond to fraud and corruption risk, including malicious insider activity.

The ATO acknowledges that, in its interactions with taxpayers and service providers, and in the delivery of services, it cannot prevent, detect or respond to all fraud and corruption risks. The ATO will:

- analyse and take associated steps to protect the tax system and taxpayers, by minimising the occurrence and impact of fraud, corruption, and related crimes
- assess all alleged instances of fraud or corruption and further investigate as appropriate
- actively manage and minimise risk (including integrity and insider threat risk) through robust controls, continuous monitoring and a strong culture of accountability
- pursue disciplinary, administrative, civil or criminal actions as appropriate
- seek to prosecute through the courts, where appropriate.

## **Fraud**

The Commonwealth Fraud and Corruption Control Framework defines fraud as 'dishonestly obtaining (including attempting to obtain) a gain or benefit, or causing a loss or risk of loss, by deception or other means'.

A benefit includes information as well as financial benefits. For an activity to be fraudulent, it must be dishonest and lead to a direct or indirect benefit to an individual or group. Fraud can be committed by parties internal or external to the ATO.

Internal fraud is committed by ATO officials or contractors and can include:

- unauthorised (or attempted) access to taxation records without a business reason
- the disclosure of taxpayer information or ATO processes
- falsely claiming benefits
- falsifying time sheets
- corporate credit card fraud

- falsifying qualifications
- use of ATO fleet vehicles for personal use
- using government assets for personal benefit
- collusion between ATO staff and external parties for personal or financial gain (for example, procurement)
- an ATO staff member committing external fraud activities (for example, GST fraud).

External fraud is committed by parties external to the ATO such as:

- a legitimate taxpayer using their own identity to commit fraud
- an authorised representative using their position and knowledge to misrepresent a legitimate taxpayer and commit fraud
- a fraudster using the identity of another person to commit fraud.

Examples of external fraud include (but are not limited to):

- staying out of the system to knowingly and intentionally evade taxation obligations
- deliberately exploiting any of the 4 pillars of compliance (registration, lodgment, correct reporting and payment) to generate a fraudulent benefit such as a refund or tax concession
- stealing information.

Failing to prevent and detect fraud early leads to losses in information or revenue. This can undermine the community's confidence in the integrity of the tax system, as well as potentially causing harm to individuals.

## Corruption

The *National Anti-Corruption Commission Act 2022* describes 4 types of corrupt conduct. A person engages in corrupt conduct if they:

- are a public official and they breach public trust
- are a public official and they abuse their office as a public official
- are a public official or former public official and they misuse information they have gained in their capacity as a public official

- do something that adversely affects a public official's honest or impartial exercise of powers or performance of official duties (any person can engage in this type of corrupt conduct, even if they are not a public official themselves).

A person also engages in corrupt conduct if they try or plan to do any of those things.

Examples of corruption can include:

- abuse of office (for example, provision of sensitive information to facilitate external fraud committed by others)
- biased decision-making by officials
- nepotism (particularly in relation to employment)
- collusion for personal gain
- noble cause (when an individual/s use unethical or illegal methods such as unauthorised access or the disclosure of ATO information to achieve what they believe to be a just outcome).

## **Fraud and corruption risks**

### **Internal**

An annual review of the internal fraud and corruption environment provides an opportunity to be proactive in identifying areas of emerging risk. This is done by examining internal data (such as allegations and/or incidents), global trends, national issues, and case studies or insights from across the Australian Public Service (APS). This process, which is undertaken by Fraud Prevention and Internal Investigations (FPPI), has confirmed there are 3 enduring internal fraud and corruption risks to the ATO:

1. Misuse of tax-specific expertise.
2. Abuse of decision-making authority.
3. Unlawful access, use or disclosure of tax information.

A forward work program for internal fraud and corruption control is built around the overarching priority to focus on insider threat, supported by these 3 enduring risk themes and allows the ATO to take a more strategic approach to identify and deal with possible risk.

Robust policies, governance and controls help us monitor and manage these risks effectively. This includes:

- enterprise and business risk assessments (for standards and ethical conduct, internal fraud and corruption, insider threat and personnel security), and
- internal assessments that deal with more day-to-day operational issues as they arise and gauge the chance for opportunistic fraud and corruption to occur through
  - conflicts of interest – undeclared or perceived
  - corruption
  - administrative fraud
  - revenue fraud
  - misuse of ATO facilities
  - misuse of ATO IT facilities
  - release of information (including unauthorised access to systems and data).

## **Insider threat – key focus area**

An insider is a current or former ATO officer or contracted individual who has legitimate or indirect access to ATO personnel, information, systems, technology, assets or facilities.

An insider threat arises when an insider – either intentionally or unintentionally – uses their access in a way that causes harm or negatively affects the ATO. This may include compromising national security, undermining Australia's sovereignty, revenue or prosperity, or posing a threat to life.

Insider threats can be complex. Individuals may act with intent or may be unaware that their behaviour is harmful. Understanding the motivations and circumstances behind insider acts is critical to managing the risk.

An example of an intentional insider act is disclosing classified or privileged ATO information to a third party – such as a business, criminal organisation or foreign power – in exchange for personal gain or for a noble cause.

Examples of unintentional insider acts include:

- clicking on suspicious email links that compromise ATO systems
- misplacing or loaning a security pass, electronic device or sensitive document
- being unknowingly exploited by a third party (for example, a foreign power, criminal group, associate or friend)
- sharing privileged information in public or social settings
- providing information to a colleague who lacks the appropriate clearance or need-to-know.

The ATO takes a proactive approach to managing insider threat risks. We assess the threat landscape and implement measures to prevent, detect and respond to internal fraud, corruption and insider activity. This includes fostering a strong integrity culture, delivering targeted education and awareness, and maintaining robust security controls.

## External

External fraud comes from outside the ATO and relates to threats to revenue or information held by the ATO (including information relating to individuals) and is a shared risk.

The ATO undertakes regular enterprise external fraud risk assessments and targeted external fraud risk assessments on activities at the highest risk from external fraud. The risk assessment process is focused on ensuring the ATO is taking all reasonable measures to prevent, detect and respond to external fraud.

Activities which are currently subject to targeted risk assessments include:

- dishonestly reporting to the ATO
- dishonestly accessing ATO systems
- dishonestly not meeting registration, lodgement or payment obligations.

External fraud is recognised as an enterprise priority in the *Australian Taxation Office corporate plan 2025–26*. The ATO has a dedicated program (Counter Fraud Program) and funding to help ensure we take all reasonable measures to prevent, detect and respond to external fraud. This program will:

- deploy more advanced controls, such as real-time monitoring capabilities
- increase secure messaging to increase taxpayer visibility and control over activity on their ATO record
- enhance the ATO app to support taxpayers distinguish between genuine contact from the ATO and an imitation scam call.

These new measures will:

- strengthen ATO preventative and detection capabilities
- support other external fraud strategies – including existing collaboration with domestic and international partners – to identify, disrupt and bring consequence to the most serious offenders, who pose the greatest risk to the tax and superannuation systems.

Although the ACNC and TPB manage different external fraud risks, some of these risks have a connection to ATO risks.

## Fraud and corruption control framework

The ATO fraud and corruption control framework is consistent with all legislative requirements of the Australian Government. It consists of governance, risk management and policy. The ATO implements the fraud and corruption control framework using the [prevention](#), [detection](#) and [response](#) model, which aligns to section 10 of the PGPA Rule:

- Prevention – the first line of defence; includes proactive strategies designed to help reduce the risk of fraud and corruption occurring.
- Detection – measures designed to uncover incidences of fraud and corruption when they occur.
- Response – reporting, assessment, investigation, analysis, referral, prosecution and recovery measures to address fraud and suspected fraud and corruption.

### Prevention

Prevention strategies are the first line of defence against fraud and corruption. They include proactive measures designed to help reduce the risk of fraud and corruption.

Preventing fraud and/or corruption upfront minimises the need for the ATO to detect and respond. The ATO has a suite of tailored prevention and education strategies that aim to protect the system and taxpayers against fraud and corruption.

Key elements of the ATO's prevention activity include:

- development and implementation of this Plan
- engagement and education strategies, including integrity masterclasses and targeted face-to-face training, to build strong awareness of what fraud and corruption are and what to do about it (referred to in the Chief Executive Instructions [CEIs], policies and procedures)
- regular integrity reporting to increase ownership and visibility of risk
- robust recruitment, integrity and security vetting processes such as defined onboarding and screening procedures
- a program of regular risk assessments and reviews, including development and maintenance of 'Three Tier Models' that consider all the ways taxpayers interact with the tax system. The models enable us to make informed decisions regarding current and future strategy delivery and investment.
- risk evaluation and differentiated treatment strategies that are shaped by the changing risk environment
- identifying and treating vulnerabilities in business processes that pose potential fraud threats to the tax, superannuation and registry systems
- actively assessing control vulnerabilities in the system and identifying treatments needed, mandatory online training for all officials, and targeted awareness sessions
- a suite of targeted internal communications products, which includes the consequences of fraud and corruption, supported by self-help material
- developing interactive products that educate on specific risk themes, such as insider threat and support signature annual events (Security, Integrity and Fraud Awareness [SIFA] week)
- an external communications program that outlines the consequences of committing external fraud, including a section on [ato.gov.au](https://ato.gov.au) dedicated to the fight against tax crime

- implementing the Counter Fraud Program to invest in preventative measures to stop fraud before it occurs.

The ATO has continued to increase its focus on prevention measures to reduce the risk of external fraud and has brought stronger controls prior to any transactions being undertaken. These activities include:

- stronger proof of identity processes
- greater assurance over digital access
- enhanced security features on the ATO app
- promoting online access strength to taxpayers
- increased sophistication of models and early warning systems
- detecting and treating vulnerabilities or any gaps in business processes that pose potential fraud threats
- an online System Integrity Centre of Excellence to help officials consider system integrity and fraud impacts
- delivering a rolling external fraud risk assessment program that ensures risks are managed and treated
- mandatory training covering awareness of external fraud, and ATO official and contractor responsibilities for reporting suspected fraud
- contributing to the Australian Government Digital ID System, which provides a secure, verified identity and authorisation solution to enable online access to government and other services.

## **Detection**

The ATO employs measures designed to uncover incidents of fraud and corruption when they occur but acknowledges that not all occurrences or incidents can be identified. However, all reasonable measures to detect fraudulent or corrupt behaviour is undertaken by the ATO.

Detection activities by the ATO involve:

- system monitoring and scanning
- collecting and monitoring a combination of internal and external data sources and information to detect fraud or corruption in close to real time



- proactive detection analytics based on predetermined parameters
- internal and external audits
- dedicated reporting mechanisms to receive both internal and external fraud tip-offs confidentially
- systematic reviews and analysis of fraud referrals to identify possible trends
- annual disclosures about changes in circumstances and external interests for officials with relevant security clearances
- data modelling and intelligence analysis to identify potential fraudulent and corrupt behaviour, including identity crime models to stop systemic attacks on the system
- intelligence sharing with, and collaborating across, law enforcement and integrity agencies and international jurisdictions, and private and private sector alliances.

## Response

The ATO uses measures including reporting, assessment, investigation, analysis, referral and recovery to respond to suspected fraudulent or corrupt behaviour.

Response activities by the ATO include:

- triage and assessment of all reports and allegations to decide an appropriate response (including whistleblowing)
- pursuing disciplinary, administrative, civil or criminal actions, as appropriate
- pursuing the recovery of fraudulently or criminally obtained benefits, where appropriate
- maintaining appropriate fraud insurance
- undertaking investigations in accordance with the Australian Government Investigations Standards (AGIS)
- undertaking joint investigations with the National Anti-Corruption Commission (NACC), other law enforcement bodies and agencies and referral to the AFP in line with referral guidelines
- appropriate reporting, including to external scrutineers

- establishment of specialist roles and responsibilities to manage and deal with fraudulent or corrupt activities, including ensuring these roles are appropriately qualified as per legislative requirements
- containment of fraud events using the Fraud Event Management Framework
- declaring and responding to emergency external fraud events as they arise
- helping taxpayers whose identity has been compromised to adopt stronger security, and improving how we address fraudulent activity on their ATO account
- taking firm action on areas of suspected fraud and ensuring adequate consequences for dishonest behaviour
- participation in the following multi-agency international, national and state serious and organised crime forums and working parties to share intelligence and investigate, disrupt and prosecute serious financial crimes
  - Illicit Tobacco Taskforce
  - Shadow Economy Taskforce
  - Phoenix Taskforce
  - Serious Financial Crime Taskforce
  - Fraud Fusion Taskforce
  - Joint Chiefs of Global Tax Enforcement (J5).

## **Control testing**

In line with the Commonwealth Risk Management Framework, the ATO ensures that the effectiveness of fraud and corruption controls is periodically reviewed.

The ATO ensures that:

- preventative, detective or corrective controls are in place
- the controls in place are effective and proportionate to the level of risk to be managed
- each control has a clearly designated owner who regularly reports on the implementation, testing and effectiveness of the control.

For further information on risk controls, see [Risk management](#).

## Internal audit

Internal audit plays a critical role in strengthening the control framework in the ATO by:

- providing independent assurance over the effectiveness of controls
- identifying anomalies through data analytics.

While not responsible for investigating fraud, audits can highlight exceptions – such as duplicate travel claims, unusual taxi fares or credit card use during leave periods – for referral to dedicated fraud and integrity teams for further review.

## Australian Taxation Office listed entity

Under Schedule 1 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) the Commissioner of Taxation is the accountable authority for the Australian Taxation Office listed entity, which includes the:

- Tax Practitioners Board (TPB)
- Australian Charities and Not-for-profits Commission (ACNC), and ACNC Advisory Board.

The ATO, TPB and ACNC share various services and processes, and comply with common policies and instructions including:

- CEIs
- the Commonwealth Risk Management Policy
- the ATO Integrity Framework
- the fraud and corruption responsibilities outlined in this Plan.

## Tax Practitioners Board

The TPB's role is to ensure tax practitioner services are provided to the public under appropriate standards of professional and ethical conduct.

In addition to those undertaken by the ATO, the TPB has additional processes in place to prevent, detect and respond to fraud.

ATO officials supporting the TPB ('TPB officials') comply with the ATO's Internal Fraud and Corruption and External Fraud CEIs and other relevant organisational processes. Compliance assurance is achieved through:

- internal detection programs
- the ATO's Speak Up channel, which allows TPB officials to report integrity concerns
- accountabilities to report issues of concern to the ATO and TPB audit and risk committees.

Other ways to raise and address issues of concern are:

- weekly executive meetings
- monthly board meetings
- quarterly performance reporting.

The TPB, supported by the CEO Secretary, works in partnership with the ATO's external fraud areas to share intelligence and develop appropriate fraud reporting and management processes for those issues that need a joint approach, recognising that external fraud in relation to tax agents is likely to be a precursor to external fraud on the broader tax system.

The TPB, supported by the CEO Secretary, will continue to work with the ATO's external and internal fraud areas as the complexity and advancement of techniques used by those seeking to commit fraud evolves.

The TPB leverages its strong relationship with Treasury to suggest legislative and policy framework changes based on its observations of tax practitioner behaviour in the system. Where appropriate, advice and recommendations are provided to mitigate the risk of fraud and corruption.

Attempted fraud that does not relate to the ATO, such as attempts to fraudulently register as a tax practitioner, are managed by the TPB and reported to relevant authorities, as required.

## **Australian Charities and Not-for-profits Commission**

The ACNC is the national regulator of charities, with the role of promoting public trust and confidence in Australian charities.

In addition to the processes undertaken by the ATO, the ACNC has additional measures in place to prevent, detect and respond to fraud.

ACNC officials comply with the Internal Fraud and Corruption and External Fraud CEIs. For example, ACNC officials:

- must complete mandatory ATO training
- receive email communications from the ATO on a range of matters (including internal fraud and corruption)
- can utilise the ATO's Speak Up channel to report integrity concerns.

While ACNC officials do not have access to taxpayer information, they do have access to charity information. Internal fraud or corruption in the ACNC can include:

- accessing or disclosing non-public charity information without authorisation
- using ACNC or ATO assets or information for personal benefit.

As the national regulator of charities, the ACNC manages external fraud relevant to the Commonwealth charity registration and regulatory system. The ACNC works in partnership with other government regulators (such as the ATO) on issues that require a joint approach, recognising that external fraud in relation to charity status can be a precursor to external fraud on the broader tax system.

## Reporting fraud and corruption

Officials and contractors must report incidents of suspected fraud or corruption. Reports remain confidential. The ATO also provides anonymous tip-off forms and supports whistleblowing protections.

**Table 1: Mechanisms for reporting fraud or corruption**

Type	Reporting channels
Internal  Reports about internal fraud or corruption	Email: <a href="mailto:Speakup@ato.gov.au">Speakup@ato.gov.au</a>  Phone: <b>1800 061 187</b>

	<p>Online: Complete the <a href="#">Report internal fraud or corruption form</a></p> <p>Anonymous Fraud Alert Form on myATO</p> <p><a href="mailto:PublicInterestDisclosure@ato.gov.au">PublicInterestDisclosure@ato.gov.au</a></p> <p>Discuss it with your manager</p>
<p>External</p> <p>Reports from members of the community</p>	<p>Online: complete the <a href="#">tip-off form</a></p> <p>The form is also available in the Contact Us section of the <a href="#">ATO app</a></p> <p>Phone: <b>1800 060 062</b></p> <p>Mail, posting to:</p> <p>Australian Taxation Office Tax Integrity Centre PO Box 188 ALBURY NSW 2640</p>
<p>External</p> <p>Reports from ATO, ACNC and TPB officials and contractors about suspected external fraud</p>	<p>ATO, ACNC and TPB officials and contractors who suspect external fraud against the tax, superannuation or registry systems are required under the External Fraud CEI to report the matter to Fraud and Criminal Behaviours in accordance with endorsed procedures.</p> <p>ATO, ACNC and TPB officials and contractors must consider reporting any external fraud allegations in relation to the tax, superannuation and registry systems, made to them by members of the community or identified by them when they are not at work. Allegations are to be reported following endorsed procedures.</p>

Law enforcement agencies can report external fraud involving serious and organised crime groups to [TaxCrimeIntelligence@ato.gov.au](mailto:TaxCrimeIntelligence@ato.gov.au). The information will be triaged and sent to the relevant area.

Reports of misconduct of a registered charity should be raised with the [ACNC](#) [↗](#) and complaints about tax practitioners to the [TPB](#) [↗](#).

## Public interest disclosure

The *Public Interest Disclosure Act 2013* (PID Act) seeks to promote integrity and accountability in the APS by:

- encouraging and facilitating the disclosure of information about alleged serious wrongdoing
- protecting those who make such disclosures
- ensuring that disclosures are properly actioned.

The ATO will act on disclosures as appropriate, support and protect disclosers and witnesses from reprisal action and continue to work closely with the Commonwealth Ombudsman to ensure all standards and responsibilities are met. As required by legislation, a person must be a current or former public official to report under the Public Interest Disclosure scheme.

To make a Public Interest Disclosure a person can:

- email [PublicInterestDisclosure@ato.gov.au](mailto:PublicInterestDisclosure@ato.gov.au)
- speak directly to an ATO Authorised Officer
- disclose to their manager.

Where a disclosure is made in good faith but does not meet the criteria for investigation under the PID Act, the ATO will still treat the matter with appropriate seriousness, provide support and as soon as reasonably practicable take steps to refer the conduct disclosed for investigation under another process, law or power.

## **Tax whistleblower**

There are arrangements in place to better protect individuals who make eligible disclosures about the alleged tax misconduct of another entity. There are legislative conditions that need to be met to qualify for protection as a tax whistleblower. The provisions are set out under Part IVD of the *Taxation Administration Act 1953*.

The Tax whistleblower protection regime CEI sets out ATO employees responsibilities for managing disclosures of alleged tax misconduct, submitted by members of the community, under the Whistleblower Protection regime in part IVD of the *Taxation Administration Act 1953*.


Commencing 1 July 2024, the TPB can receive protected tip-offs directly from the public. These laws extend whistleblower protections to individuals who 'blow the whistle' about a related entity to the TPB,


where they believe the information may assist the TPB in performing its functions or duties under the *Tax Agent Services Act 2009* (TASA).

Whistleblowers play a critical role in the early detection and regulation of tax practitioner misbehaviour. This is why the TPB encourages and welcomes anyone to provide the TPB with information about malicious practices by tax practitioners, unregistered agents or scheme promoters that would be harmful to the public or undermine the Australian tax system.

Under the tax whistleblower legislation, the ACNC is not an eligible recipient.

## National Anti-Corruption Commission

The [National Anti-Corruption Commission](#)  (NACC) is an independent Commonwealth agency that detects, investigates and reports on serious or systemic corruption involving public officials. This includes ATO, ACNC and TPB employees, secondees, contractors, consultants and suppliers.

The NACC operates under the [National Anti-Corruption Commission Act 2022](#)  which defines its jurisdiction and what corrupt conduct is.

The Assistant Commissioner Fraud Prevention and Internal Investigations has delegation from the Commissioner of Taxation (as the accountable authority) to refer serious or systemic corruption issues to the NACC for potential investigation.

Officials who suspect a corruption issue should report in the first instance to the ATO's Speak up channel and where appropriate it will be referred to the NACC.

Alternatively, officials may also choose to report serious or systemic corruption directly to the NACC as a voluntary referral. However, the NACC may choose not to investigate a corruption issue and, in those cases, may refer matters back to the ATO.

## Maintaining integrity

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) contains the legal obligations of Commonwealth entities in relation to their governance, performance, accountability, and use and



management of public resources. Under the PGPA Act, the Commissioner has specific duties as the accountable authority to:

- properly govern the ATO
- establish an appropriate risk and control system
- encourage officials to cooperate with others to achieve common objectives
- consider the effects of imposing requirements on others
- keep the respective minister and the finance minister informed.


To meet governance obligations under the PGPA Act and ensure conformance with other legislative requirements, including the proper administration of the tax and superannuation systems, the ATO has an overarching framework which is represented under 2 key areas: the governance structure, and the governance pillars.

Governance structure includes the following key committees:

- Audit and Risk Committee
- ATO Executive
- other ATO committees.

Governance pillars are grouped into 4 key pillars that form the basis of the Audit and Risk Committee mandatory assurance reporting:

1. Financial reporting
2. Performance reporting
3. Risk oversight and management
4. Internal control.

There has been a shift across the commonwealth with the APS reform agenda. Released in 2023, the [Louder than Words: An APS Integrity action plan](#)  identifies opportunities for system-wide improvements to improve integrity at all levels of the APS. It makes 15 recommendations across 3 areas: culture, systems and accountability.

The ATO Integrity Framework outlines the mechanisms and policies that underpin a pro-integrity culture in the ATO. The framework is supported by governance and reporting arrangements that ensure the ATO is an integrity-based organisation.

We continue to embed a pro-integrity culture at the ATO, dealing with identified risks through action, leadership and governance. This is achieved through:

- using tools and methodologies to strengthen system integrity
- developing comprehensive policies and procedures to support decision-making
- ensuring individuals have the appropriate security clearance for their position
- reporting and managing conflicts of interest declarations
- reporting internal and external performance and activities
- transparently participating in independent review and reporting arrangements
- requiring officials to undertake fraud and corruption training
- implementing an integrity communication plan to ensure staff receive regular education and support.

## **Code of conduct**

The APS values, employment principles and code of conduct shape the ATO's culture and integrity. All officials must behave in a way that upholds and meets the standards of conduct in line with APS and ATO values and have a responsibility to report misconduct and not turn a blind eye to unacceptable behaviour.

If an official is found to have breached the Code of Conduct, a sanction delegate may decide to impose a sanction under subsection 15 of the *Public Service Act 1999*.

The sanctions available range from a reprimand through to termination of employment.

## **Risk management**

Risk management is the responsibility of all officials as it ensures the ATO understands risks, achieves outcomes efficiently and effectively, and complies with various statutory obligations and public sector guidelines, such as the PGPA Act and the Commonwealth Risk Management Policy.

The ATO's Risk Management CEI and Risk Management Framework (RMF) were developed to provide a structured, enterprise-wide approach to managing risk, including risk methodology and management processes.

The framework is administered in line with the requirements of the Commonwealth Risk Management Policy and aligned with the AS/NZ ISO 31000:2018 Risk Management Guidelines. The framework also incorporates the ATO's governance approach consistent with the 3 lines of defence model being Business Lines, Enterprise Risk Management and Internal Audit.

The ATO's RMF aims to provide a consistent, integrated, and effective approach to the management of risk and is embedded into day-to-day business practices. Understanding, adapting, and responding to changes in our operating environment is vital to delivering on our organisational objectives. Effective risk management utilises strategic insights to respond to emerging uncertainties and support informed decision making, which leads to enhanced performance.

The 3 core components of the RMF include:

1. Policy and governance – all officials must adhere to the Risk Management CEI, and risk governance mechanisms must be established to ensure risk management is embedded into the decision-making activities of the Australian Taxation Office listed entity.
2. Risk management process (including appetite and tolerance) – the risk management process is the organisation's structured method to identify, analyse, evaluate, manage, and assure risks, with reference to risk appetite and tolerance settings.
3. Risk culture and capability – the RMF supports a culture where our people manage and communicate risk across all levels of the Australian Taxation Office listed entity, and they are encouraged to adopt positive risk behaviours.

The ATO, ACNC and TPB each maintain specific roles to manage risk. Some of these roles and functions are shared. However, due to operational independence, organisational size and differing risk management needs, some roles are specific to the ATO, ACNC and TPB.

The full listing of all the roles and responsibilities are available in the Risk Management CEI and ATO Control Owners for specific risks can

be found in the ATO Risk Register.

## **Security risk management**

Security risk management is at the core of everything we do. Risk management allows the ATO business to be undertaken in an environment where resources can be most effectively targeted towards those areas of highest risk.

The ATO's role as the principal revenue collection agency of the Australian Government and holder of significant personal taxpayer information makes it an attractive target for a range of threat actors. The sensitive, privileged and classified information that Australian Government personnel hold and the unique access they possess make them highly valued targets. The ATO security environment is constantly changing and will continue to evolve. Managing protective security risks across the ATO is shaped by the Risk Management Framework (RMF) and Protective Security Policy Framework (PSPF) plus the policies in the ATO's Risk Management Process Factsheets and Risk Management Process Tools.

Managing the ATO's protective security risks involves consideration of:

- security threats
- the criticality of our assets
- the effectiveness of our controls (vulnerability) to understand the potential likelihood and consequences of our security risks.

These 3 processes are outlined in the PSPF requirements and are based on the Australian Standard: HB 167 – Security Risk Management (HB 167).

By combining these 3 processes with the RMF 4-step risk identification process, we ensure consistency with ATO risk management processes, while fully considering the protective security environment to identify a comprehensive list of security risks.

## **Procurement and contract management**

The ATO applies robust due diligence, probity, and integrity controls across all stages of the procurement and contract management lifecycle. These controls are designed to mitigate fraud and corruption risks associated with business associates (suppliers). Controls are

proportionate to the scope, scale and risk of the procurement activity and are aligned with the Commonwealth Procurement Rules, broader Government procurement framework and ATO procurement policies, and include ongoing due diligence and contractual safeguards.

Prior to engagement, suppliers and their personnel may be subject to vetting processes to assess their integrity and suitability, such as financial viability checks, Statement of Tax Record verification and pre-engagement integrity checks. As part of ongoing risk management, the ATO may conduct periodic due diligence reviews of suppliers to reassess fraud and corruption risks, monitor compliance, and apply enhanced controls where risk profiles change, or new information emerges.

ATO contracts may include provisions that enable audits, require cooperation with investigations and due diligence, and allow for termination or reporting in response to fraud or corruption. Ethical conduct is also promoted through clear expectations communicated to suppliers with reference to relevant standards and obligations and is supported by the Commonwealth Supplier Code of Conduct, National Anti-Corruption Commission Act requirements and Ethical Business Relationship statements.

## Key responsibilities

Everyone in the ATO has a responsibility to mitigate the risk of fraud and corruption. However, some positions and organisational bodies play a more important role.

**Table 2: Governance and oversight responsibilities**

Role	Responsibility
Commissioner of Taxation	Accountable authority responsible for taking all reasonable measures to prevent, detect and respond to fraud and corruption for the Australian Taxation Office listed entity, which includes the TPB, ACNC and ACNC Advisory Board. The Commissioner is also responsible for ensuring effective protective security arrangements, including measures to counter insider threats.

ATO Audit and Risk Committee	Provides independent advice and assurance to the Commissioner about the risk oversight and management of systems in place to implement the ATO's Fraud and Corruption Control Plan.
Deputy Commissioners	<p>Ensure the obligations of the Commonwealth Fraud and Corruption Control Framework are met, within their area of responsibility, including undertaking regular risk assessments, documenting controls, testing effectiveness of controls, managing vulnerabilities, and ensuring any required treatments are in place.</p> <p>Consider all fraud risks when a new measure, system or process is being designed. If the change introduces fraud risks, key controls must be documented and tested.</p> <p>Consider fraud risks when changes are made to existing systems and processes. If the change introduces or changes fraud risks, an assessment must be undertaken.</p> <p>Reconsider fraud risks when relevant new information or intelligence comes to hand.</p>
Deputy Commissioner Integrity, Assurance and Law	Enterprise risk owner for 'Standards and Ethical Conduct' in the Australian Taxation Office corporate plan and responsible for oversight and management of key strategies to address risks.
Security Committee	Ensures protective security policies and business continuity management capabilities are managed effectively across the ATO.
Chief Security Officer	In accordance with the Protective Security Policy Framework (PSPF), the Commissioner as the accountable authority has appointed a Chief Security Officer responsible for directing all areas

	<p>of security to protect the ATO's people, information (including ICT) and assets.</p> <p>The CSO has oversight and decision-making authority for all ATO security arrangements across governance, information, personnel, and physical security areas.</p>
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**Table 3: Internal fraud and corruption**

<b>Role</b>	<b>Responsibility</b>
<p>Assistant Commissioner</p> <p>Fraud Prevention and Internal Investigations (FPPI)</p>	<p>Business risk owner for internal fraud and corruption, insider threat and personnel.</p> <p>Leads an independent function supporting the Commissioner on internal fraud and corruption control, personnel security, integrity and the insider threat program.</p> <p>This role is also responsible for developing this Plan.</p>
<p>Fraud Prevention and Internal Investigations</p>	<p>Responsible for implementing measures and strategies to prevent, detect and respond to internal fraud and corruption.</p> <p>FPPI is also responsible for the management and oversight of the ATO's insider threat program, Public Interest Disclosure scheme, NACC obligations, personnel security and integrity.</p> <p>This includes arrangements for the ACNC and TPB.</p>

**Table 4: External fraud**

<b>Role</b>	<b>Responsibility</b>
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Deputy Commissioner Fraud and Criminal Behaviours	<p>Enterprise risk owner for external fraud in the tax, superannuation, and registry systems. Has accountability and authority to declare and respond to external fraud events.</p> <p>Leads the external fraud strategy development and treatment plan management across the ATO.</p> <p>Leads the Fraud and Criminal Behaviours business line.</p>
Fraud and Criminal Behaviours business line	<p>Leads Australia's efforts domestically and internationally to prevent, detect and respond to the most serious external fraud and financial crime in the tax, superannuation and registry systems.</p> <p>Coordinates and delivers civil and criminal treatment to bring effective consequences to the highest priority external fraud and financial crime.</p> <p>Collects and monitors data and information to detect external fraud and financial crime in close to real time.</p> <p>Manages new and serious outbreaks of external fraud and financial crime and rapidly contains these threats.</p>
External fraud sub-risk owners	<p>Lead external fraud sub-risk management, including risk assessment, strategy development and treatment in accordance with the ATO Risk Management Framework and the Commonwealth Fraud and Corruption Control Framework.</p>
Serious Financial Crime Taskforce Chief (ATO only)	<p>Provides day-to-day oversight of the Serious Financial Crime Taskforce (SFCT) and is responsible to the SFCT CEO's Board.</p>

**Table 5: Related entities**



Role	Responsibility
ACNC Commissioner	Manages external fraud risks associated with the charity registration and regulatory systems.
TPB Secretary*	Report to the Audit and Risk Committee.  *Note: The TPB Chair, together with the TPB Secretary, are responsible for managing the TPB's external fraud risk.

**Table 6: Supporting functions**

Role	Responsibility
Risk Committee	Responsible for positively influencing the ATO's ability to manage key areas of risk associated with strategic objectives and ensuring risks are being managed effectively and consistently with the Enterprise Risk Management Framework (ERMF).  Provides assurance to the ATO Executive (along with the Audit and Risk Committee) that risk is being effectively identified and appropriately managed, with a strong focus on setting clear accountabilities, tolerances, and monitoring to ensure it remains within acceptable levels.
Strategy Committee	Ensures strategy coherence by making decisions or recommendations to the ATO Executive in relation to strategies and priorities with significant internal or external impacts within the context of the ATO's strategic direction and the operating environment.
External Fraud Integrity Advisory Committee	Responsible for providing advice on maintaining an appropriate system of external fraud control so that the ATO meets its obligations under the PGPA

	Act and Commonwealth Fraud and Corruption Control Framework.
External Fraud Risk Assurance Committee	Ensures external fraud risks are managed efficiently and effectively and in accordance with risk and fraud policy including the ATO Enterprise Risk Management Framework, PGPA Act and the Commonwealth Fraud and Corruption Control Framework.
Counter Fraud Program Assurance Committee	Responsible for exercising governance responsibilities with respect to the ATO's resource allocation, investment, risk management and delivery of the Counter Fraud Program.

Other roles and responsibilities that reduce fraud and corruption risk include:

- ATO People, which advises on ATO integrity strategy and approaches, and informs training, awareness, and communication strategies and supports conduct and behaviour concerns across all employment types through actions under the APS Code of Conduct
- Senior executives, who provide strong leadership and foster a culture of integrity, awareness, and reporting
- Business line managers, who ensure risk management principles are applied in the operation of their business line
- all ATO staff and contractors, who have an ongoing responsibility to undertake mandatory training and identify and report suspected fraud and corruption.

## Governance reporting requirements

Regular performance and conformance reporting is an important part of effective governance and provides assurance and oversight over the appropriateness of the ATO's control arrangements to prevent, detect and respond to fraud and corruption.

The ATO undertakes the following internal and external reporting.

**Table 7: ATO internal and external reporting**

<b>Audience</b>	<b>Requirement</b>	<b>Timeframe</b>
Commissioner of Taxation	Oversight as the accountable authority under the <i>Public Governance, Performance and Accountability Act 2013</i> , <i>National Anti-Corruption Commission Act 2022</i> , and the Principal Officer under the <i>Public Interest Disclosure Act 2013</i> .	Monthly or as required
Deputy Commissioner Integrity, Assurance and Law	Regular reports on current status of internal fraud and corruption risk-related activity and investigations, and as the enterprise risk owner for Standards and Ethical Conduct.	Fortnightly or as required
Deputy Commissioner Fraud and Criminal Behaviours	Regular reports on current status of external fraud risk-related activity and investigations.	Monthly
Audit and Risk Committee (ARC)	Oversight of the ATO, TPB and ACNC in accordance with section 45 of the <i>Public Governance, Performance and</i>	Quarterly

	<i>Accountability Act 2013.</i>	
Risk Committee	Ensures risks are being managed effectively across the ATO consistent with the Enterprise Risk Management Framework.	Monthly
Security Committee	Ensures protective security policies and business continuity management capabilities are managed effectively across the ATO.	Monthly
Strategy Committee	Ensure strategy coherence by making decisions or recommendations to the ATO Executive in relation to strategies and priorities with significant internal or external impacts within the context of the ATO's strategic direction and the operating environment.	Monthly
Minister	Conformance with <i>Public Governance, Performance and Accountability Act 2013</i> and Element 8 of the Fraud and	Annually or as required

	Corruption Guidance.	
Australian Institute of Criminology (AIC)	In accordance with the Commonwealth Fraud and Corruption Control Policy all non-corporate commonwealth entities must collect information on fraud and corruption and complete an annual fraud census to the AIC.	Annually
Commonwealth Ombudsman	Compliance with the <i>Public Interest Disclosure Act 2013</i> .	Bi-annual or as required for operational matters

## External scrutineers

External scrutiny promotes good governance practices, transparency, accountability, and fairness. The ATO's external scrutineers provide independent assessments of ATO administration of the tax system and the Australian Business Register and assurance of ATO financial reporting:

The ATO's external scrutineers are:

- the Australian National Audit Office (ANAO), which conducts financial statement audits and performance audits
- the Tax Ombudsman, which
  - investigates tax complaints (except those related to freedom of information [FOI] matters) and particular actions by tax officials
  - reviews systemic issues in tax administration and makes recommendations for improvement
- the Commonwealth Ombudsman, which

- responds to non-tax elements of cross-agency complaints (for example, those which have a child support element), and Public Interest Disclosures
- conducts its own investigations on systemic issues
- the Office of the Australian Information Commissioner, which investigates privacy and FOI issues
- the Australian Public Sector Commission (APSC), which will be reviewing the ATO as part of its Capability Review program that will take a structured look at our organisational ability to meet future objectives and challenges.

## **Transparency with internal investigation activities**

The ATO treats all parties involved in an investigation with respect and courtesy and makes sure all investigation activities are undertaken in accordance with relevant legislation, government policies and standards including the:

- National Anti-Corruption Commission (NACC)
- Australian Government Investigations Standards (AGIS)
- Commonwealth Director of Public Prosecutions (CDPP)
- Commonwealth Ombudsman (for the *Public Interest Disclosure Act 2013*).

**QC 103803**

## **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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