



Australian Government
Australian Taxation Office

MEDIA RELEASE

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ATO prosecutes nearly 500 people for tax and superannuation offences

Tax Commissioner Michael D'Ascenzo today said 489 people were convicted between 1 January and 31 March for tax and superannuation offences.

The prosecutions range from offences such as failing to lodge forms to serious fraud such as GST refund fraud.

“These prosecutions demonstrate our commitment to protect honest citizens from those that seek to abuse Australia’s tax and superannuation systems,” Mr D’Ascenzo said.

“People who commit serious fraud, don’t declare all their income or fail to meet their obligations cheat the majority of the community who do the right thing.

“They not only deprive the community of revenue, but often gain an unfair advantage over others.

“The people we have prosecuted now have to live with a criminal conviction against their name – this behaviour is simply not worth it.

“We have a range of ways to detect people who seek to avoid their tax and superannuation responsibilities by not lodging returns, through tax evasion or criminal fraud. Methods of detection include data matching, comparing third party information and analysing industry norms.

“Last financial year we conducted over 16,000 audits, reviews and investigations. Close to 3,000 cases of non-compliance were taken to court and successfully prosecuted.

“This financial year we have invested in new technology designed specifically to help us identify sophisticated, organised activities through to the most basic of scams.

“These tools are proving to be extremely efficient at identifying suspect claims for refunds and ensuring that Australia’s revenue is protected.

“Although our systems are becoming more sophisticated in the early detection of non-compliance, we also have a strong focus on helping honest taxpayers.

“If people are struggling to meet their obligations I encourage them to contact us on **13 11 42**, so we can discuss ways to help them – for example, flexible payment arrangements.”

Anyone who suspects someone is evading their tax and superannuation obligations or possibly conducting fraudulent activities can report it by calling the ATO on **1800 060 062**.

Note to editors

The ATO plans to issue a similar summary of prosecutions for tax and superannuation offences each quarter.

Canberra

For further enquiries from members of the media: 02 6216 1901 or 0401 147 127

Prosecutions summary for quarter 1 January to 31 March 2010

Number of cases	Type of offence	Examples
<p>Over this period four prosecutions referred to the CDPP have resulted in successful convictions.</p> <p>Three of these successful convictions received custodial sentences ranging from six months to 3 ½ years, with the remaining defendant to be sentenced in May 2010.</p>	<p>Serious fraud and tax evasion offences including GST, refund and identity fraud, and deliberately concealing income.</p>	<p>A New South Wales man was found guilty of GST fraud after submitting false BAS and trying to claim \$500,000 in his role as company director. He was sentenced to 3 ½ years in prison, with a non-parole period of two years.</p> <p>A Victorian woman was found guilty of GST fraud after lodging false BAS under three different ABNs and receiving \$233,581 in refunds. A fourth attempt was made for a claim of \$132,058. She was found guilty on all four counts and was sentenced to 20 months imprisonment. She will serve six months jail and pay \$1,000 bond, subject to two years good behaviour.</p>
<p>485 people were convicted and fined.</p>	<p>A variety of tax offences including non-lodgement of forms, using false and misleading statements in audits and receiving a fee for preparing an income tax return on behalf of a taxpayer while not being a registered tax agent.</p>	<p>A Sydney investment company, as trustee of a superannuation fund, was convicted and fined \$100,000 for failing to comply with court orders to lodge income tax returns for the 1999 to 2007 years, and \$50,000 for failing to comply with court orders to provide information regarding member contribution statements for the fund.</p> <p>A Sydney company involved in pet feed wholesaling was convicted and fined a total of \$40,000 for failing to comply with court orders to lodge quarterly BAS from September 2005 to March 2009.</p> <p>A Sydney metal roof fixing sole trader involved in undisclosed cash earnings was convicted and fined a total of \$9,500 in relation to failing to lodge income tax returns for the 2003 and 2008 years, and for failing to lodge quarterly BAS from September 2004 to September 2008, inclusive.</p> <p>An Adelaide company operating two hotels was convicted and fined a total of \$7,000 for failing to lodge quarterly BAS from June 2007 to March 2009.</p>

Background

The ATO handles the majority of prosecutions directly, with the most serious cases referred to the Commonwealth Director of Public Prosecutions (CDPP).

Cases that may be referred to the CDPP from the ATO include:

- any case being defended
- a case where a term of imprisonment is likely to be imposed
- cases likely to attract significant public attention or that involve sensitive issues including those involving prominent or high profile individuals or organisations
- cases involving the prosecution of an ATO employee
- any matter involving a case that is being investigated by the Australian Federal Police or the Australian Crime Commission or that is being prosecuted by the CDPP
- when there has been a breach of bond
- when the defendant has appealed against the sentence originally handed down by the ATO
- when the ATO requests the CDPP to consider appealing against the defendant's original sentence.

The CDPP determines whether a criminal prosecution is in the best interest of the Commonwealth.

It should be noted that the number of referred prosecutions that are finalised tends to fluctuate throughout the year, with the January to March quarter tending to have less activity than other quarters.

For example, while only four prosecutions referred to the CDPP were successfully prosecuted between the 1 January and 31 March 2010 quarter, there were 15 successful prosecutions between the 1 October and 31 December 2009 quarter.

Canberra

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