



Australian Government
Australian Taxation Office

MEDIA RELEASE

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More than 360 people convicted for tax and superannuation offences from 1 April to 30 June

Tax Commissioner Michael D'Ascenzo today said there were more than 360 people convicted between 1 April and 30 June for tax and superannuation offences.

“Australia generally has a strong culture of voluntary compliance however a small number of people still try to cheat other Australians by evading their tax and superannuation obligations,” Mr D'Ascenzo said.

“We take all forms of tax evasion and intentional non compliance seriously. Convictions can be for things like failing to lodge tax returns to serious misconduct like identity and refund fraud, and defrauding the Commonwealth.”

Mr D'Ascenzo said the ATO has upgraded its technology and has new risk filters in place to help detect over claimed or fraudulent income tax refunds.

“We extensively cross-reference information reported in tax returns with information provided by third parties to identify errors or discrepancies. Last year we matched over 500 million transactions,” Mr D'Ascenzo said.

“We will continue to strengthen our methods to detect returns that may be fraudulent and expand the use of our fraud detection models.”

Mr D'Ascenzo said two of the convictions this quarter followed investigations by the Project Wickenby Taskforce into abusive secrecy haven arrangements.

“All the sentences for the five people convicted under Wickenby since January 2010 were also handed down in this quarter,” Mr D'Ascenzo.

“People need to manage their own tax affairs responsibly because ultimately they will have to pay the consequences for their actions.”

The ATO also recognises that the majority of people attempt to do the right thing and encourages anyone struggling to meet their obligations to contact the ATO on **13 11 42** to discuss their individual circumstances.

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**. Tax agents can also call us on the Tax Agent Integrity line on **1800 639 745**.

Note to editors

The ATO will issue a similar summary of prosecutions for tax and superannuation offences each quarter. Last quarter's figures are outlined in media release 2010/05 on 17 May 2010.

Attachment: Prosecutions summary for quarter 1 April to 30 June 2010

Prosecutions summary for quarter 1 April to 30 June 2010

Number of cases	Type of offence	Examples
<p>Over this period 18 people referred to the CDDP have resulted in successful convictions.</p> <p>All of these convictions received custodial sentences ranging from 12 months to six years.</p>	<p>Serious fraud and tax evasion offences including GST, refund and identity fraud, dealing in the cash economy, deliberately concealing income, and operating as an unregistered tax agent.</p>	<p>A Queensland woman was found guilty in the Southport District Court of identity and GST fraud totalling \$173,373. She obtained personal details of individuals while working as a bookkeeper. She lodged ABN applications to register these taxpayers as operating businesses and also registered them for GST. She then submitted false BASs in the names of the businesses she had created. She was sentenced to three years and nine months in prison, with a non-parole period of 16 months.</p> <p>A NSW woman was found guilty in the Lismore District Court of illegally obtaining \$607,000 through energy grants credit schemes and falsifying BASs to get refunds for GST she was not entitled to. The woman unsuccessfully tried to obtain a further \$565,917 in her own name as well as the names of her son and his then partner. Her partner was sentenced for money laundering the illegally obtained money. They were sentenced to six years and 15 months jail respectively. The man was released on a good behaviour bond and the women ordered to serve a non-parole period of four years.</p> <p>A Tasmanian man was found guilty in the Supreme Court of ‘skimming’ money from his company and avoiding paying tax of \$334,595. He was sentenced to two years in prison, with a non-parole period of one year.</p> <p>A West Australian woman was found guilty in the Perth District Court of operating as an unregistered tax agent. She prepared and lodged tax returns on behalf of 29 taxpayers for a fee. She also claimed fictitious work-related expenses on behalf of these clients resulting in fraudulent refund payments totalling \$151,000. She was sentenced to 14 months in prison, with a non-parole period of eight months.</p> <p>A NSW man was sentenced in the Port Macquarie District Court for submitting 28 claims for the Diesel Fuel Rebate Scheme between 2001 and 2003. A further eight claims for the Energy Grants Credit Scheme were submitted between 2003 and 2004. He could not substantiate the claims and had a tax debt of \$1,031,926. He was sentenced to three years and nine months in prison, with a non-parole period of one year and nine months.</p> <p>A Victorian man was found guilty in the Victorian County Court of lodging 24 false tax returns and nine false BASs between July 2004 and February 2007 claiming refunds of around \$210,000. He was sentenced to 22 months in prison with a non-parole period of nine and was ordered to pay \$143,707 to the ATO.</p>

Number of cases	Type of offence	Examples
275 individuals and 71 companies were prosecuted and convicted. They were fined and/or granted a good behaviour bond.	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>A Sydney café owner was convicted and fined a total of \$5,000 for failing to lodge GST returns for the periods ending 30 March 2006 to 30 September 2009 inclusive.</p> <p>An Adelaide plumber was convicted and fined a total of \$13,500 for failing to lodge income tax returns for the 2005, 2006, 2007 and 2008 financial years and for failing to lodge GST returns from the period ending 30 September 2004 to the period ending 31 March 2009.</p> <p>A Sydney company involved in the aviation industry was convicted and fined \$45,000 for failing to lodge income tax returns contrary to a court imposed order and for failing to lodge GST returns contrary to a court imposed order.</p> <p>A Townsville man was convicted and fined \$3,000 for failing to lodge income tax returns for the 2007 and 2008 year and \$12,000 for failing to lodge quarterly BASs from March 2007 to June 2009.</p> <p>A Melbourne man was convicted and fined a total of \$1,200 for failing to comply with court orders to lodge income tax returns for the 2003 and 2004 years. The defendant had been convicted previously in relation to the non lodgement of these returns with fines totalling \$1,000.</p>

Background

The ATO handles a number 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 court
- 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 public interest.

It should be noted that the number of referred prosecutions that are finalised tends to fluctuate throughout the year.

For example, while only four prosecutions referred to the CDPP were successfully prosecuted between the 1 January and 31 March 2010 quarter, there were 16 successful prosecutions between the 1 April and 30 June 2010 quarter.

Note also that returns and activity statements lodged as a result of prosecution action for non-lodgement are subject to further scrutiny to determine whether additional tax is payable.

Canberra

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