



Team Activity: Fraud on revenue

Unauthorised access 10-15 mins



Internal fraud and corruption: fraud on revenue case study

Activity overview

Fraud on revenue is fraud such as refund fraud, attempting to dishonestly obtain a tax refund from the ATO, procurement biased by nepotism or cronyism, deliberately reducing or increasing penalties, GIC or debt.

This case study gives staff the opportunity to consider how they might respond to fraud – specifically fraud on revenue.

Learning outcomes

- Staff understand an example of fraud on revenue
- Staff know when and how to report internal fraud they witness or suspect.

Instructions

Read the scenario to your team and discuss. Ensure you include the key talking points in your conversation.

Scenario

Mr Clandestine worked as a Debt Collection Officer for the ATO. Mr Clandestine had a good friend that had a large debt with the ATO. The debt had been unpaid for a long time and had accrued over \$50,000 in general interest charges (GIC). Mr Clandestine, at the request of his friend, remitted the \$50,000 of general interest charges so his friend did not have to pay the full amount. He did not leave a note of his actions in ATO systems.

Discussion questions

1. Is this fraud? Why/why not?
2. What do you think the consequences were for Mr Clandestine?
3. If you saw this happening, what would you do?

Talking points

1. This is fraud affecting ATO's revenue collection which is fraud on revenue. It was also unauthorised access, which is a type of fraud, as Mr Clandestine accessed a record without a need to know and where a conflict of interest existed. His behaviour was both a criminal offence and a breach of the APS Code of Conduct. Mr Clandestine's actions could have adversely impacted the public's trust in the ATO.
2. Mr Clandestine was investigated by Fraud Prevention and Internal Investigations (FPPI). FPPI investigated jointly with a law enforcement agency and Mr Clandestine was ultimately charged with corruption. Mr Clandestine resigned through the course of the investigation. Mr Clandestine now has a criminal record which could negatively impact his future job prospects and may impact him financially and socially.
3. If you witness or suspect internal fraud or corruption, report it to your manager or Speak Up. Not only is reporting an obligation for each of us, reporting helps maintain the high integrity environment we have at the ATO. Do not seek further evidence – it is FPPI's job to investigate!

Next steps for you and your team to take

- You can find more information about your responsibilities in the [Internal Fraud and Corruption CEI](#)
- Contribute to a positive workplace integrity culture by modelling your preferred workplace behaviour in your team
- Report any suspected or witnessed fraud and corruption to Speak up or by using the Anonymous Fraud Alert Form.
- Alternatively, any suspected or witnessed corruption that is serious or systemic can be referred directly to the National Anti-Corruption Commission (NACC). This is called a voluntary referral.

For more information and resources

- You can head to our [SharePoint](#) site
- You can use our [facilitator guide](#)
- Call the [Speak Up hotline](#) on **1800 061 187** to speak to FPII
- Search [Anonymous Fraud Alert Form](#) on myATO to report anonymously
- Find out more about the [National Anti-Corruption Commission](#)
- Email SpeakUp@ato.gov.au for advice or to lodge an allegation
- Email PublicInterestDisclosure@ato.gov.au to lodge a disclosure.