



Australian Government
Department of Defence

AFCD/CAE/OUT/2015/460

Mr David Sullivan
Secretary
Senate Standing Committee on
Foreign Affairs, Defence and Trade
Parliament House
CANBERRA ACT 2600

Dear Mr Sullivan

I write to correct evidence that I gave at the Budget Estimates hearing held on 2 June 2015 concerning fraud control and fraud investigations in the Defence Department. These corrections are set out below.

Hansard page 54: *"...the fraud control program, which is a proactive effort that is updated, I think, annually".*

Correction 1: The Defence Fraud Control Framework includes biannual review and addressing emerging issues as they are identified.

Hansard page 54: *"...One involved the theft of a Defence fuel card and the use of that, which was investigated".*

Correction 2: The matter in question involved the theft of two Defence fuel cards.

Hansard page 54: *"...it was about 12 months..."*

Correction 3: The period of the offences was three months (April 2011 – July 2011).

Hansard page 55: *"We could not get any assets. I will confirm that but no, my understanding is there was no collection".*

Correction 4: Recovery action has been undertaken by Defence in relation to two offenders. Recovery to date is \$12,316.04. . Recovery action is ongoing including legal considerations for seeking commercial remedy from the Prime Contractor.

Hansard page 55: *"As I understand, it was one consortium".*

Correction 5: There have been criminal prosecutions pursued against two members of the public resulting in criminal sanctions and reparation orders. Based on a recommendation by Defence,

independent administrative action was also taken by the Prime Contractor against two civilian contracted service providers responsible for vehicle and fuel card management.

Hansard page 55: *"No. It was the one of the major fuel suppliers".*

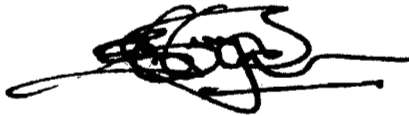
Correction 6: Multiple fuel purchases on the two fuel cards occurred at service stations owned by two major fuel suppliers. The services stations were situated in NSW, QLD, VIC and SA.

Hansard page 55: *"...I also mentioned that he has very close relationships in the AFP, and Defence has an embedded resource now within the AFP dealing with liaison between the two, because where we identify an issue we hand it across to the AFP to then follow through, investigate and prosecute because we do not prosecute in our own right".*

Correction 7: The Inspector General of Defence (IGD) has primary responsibility for investigating minor or routine frauds committed against Defence. Subject to the approval of the AFP, the IGD may also lead investigations into serious and complex frauds. In all cases where the IGD undertakes a fraud investigation, this will include the referral of a brief of evidence to the Commonwealth Director of Public Prosecution for consideration of a civilian prosecution.

I apologise for any misunderstanding that may have arisen.

Yours sincerely



Geoffrey Brown OAM
Chief Audit Executive
Audit & Fraud Control Division

CP3-2-005
PO Box 7912
CANBERRA BC ACT 2610
02 6266 4210, fax 02 6266 4593
geoffrey.brown4@defence.gov.au

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