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Dr Sean Turner
Committee Secretary
Parliamentary Joint Committee on Law Enforcement
Parliament House
Canberra ACT 2600

By email: le.committee@aph.gov.au

Dear Dr Turner

Inquiry into criminal activity and law enforcement during the COVID-19 pandemic

The Australian Competition and Consumer Commission (ACCC) welcomes the opportunity to provide a submission in response to the Parliamentary Joint Committee on Law Enforcement Inquiry into criminal activity and law enforcement during the COVID-19 pandemic.

As the economy responds to the COVID-19 pandemic, the ACCC has been active in detecting and preventing new threats to consumers and the economy. In relation to fraud and cybercrime, the ACCC's focus has been on detecting criminal activity such as scams and cartels.

Scamwatch

The ACCC aims to prevent Australians from falling victim to scams by raising awareness, sharing intelligence and working with government and the private sector to reduce opportunities for scams to occur. The ACCC operates the Scamwatch website, which provides information to consumers and small businesses about how to recognise, avoid and report scams. We have been analysing scams data regarding COVID-19 collected via Scamwatch to identify trends, monitor financial losses and inform our scam prevention strategies.

The ACCC receives a very large number of scam reports each year (167,801 in 2019), but the scam reports in some categories (phishing¹) increased significantly after the Government announced changes to superannuation access on 22 March 2020 and the JobKeeper program on 30 March 2020. Reports to Scamwatch for the June 2020 quarter are 23 per cent higher than the June 2019 quarter. In 2020 more people who make scam reports have reported losing money than in any year before (In 2020 13.5 per cent of reports include a financial loss, compared with 11.7 per cent last year and 9.9 per cent in 2018).

¹ Phishing scams are attempts by scammers to trick consumers into giving out personal information such as bank account numbers, passwords and credit card numbers.

The ACCC has received over 3500 scam reports mentioning COVID-19 with \$2.2 million in reported losses as at 22 July 2020. Over 60 per cent of COVID-19 scams reported to Scamwatch are phishing scams aimed at collecting identity information. This information may then be used to make fraudulent claims of government programs, including early access to superannuation.

One of the high-risk issues has been the impersonation of legitimate government websites and communications. Where we identify these in scam reports, we contact the relevant agency and engage with the Australian Cyber Security Centre to facilitate removal of website and warnings.

The ACCC is responding to increased scam activity by engaging in disruption, awareness raising and sharing intelligence with businesses and other government agencies. The ACCC is participating in a number of Government COVID-19 taskforces, as well working bilaterally with other government agencies, including ACSC, Department of Home Affairs, AFP, Services Australia, ATO, AUSTRAC and ASIC about COVID-19 scams. This work includes refining approaches to communications with the public that reduce the likelihood that scammers can impersonate government agencies.

Procurement fraud and cartel conduct

Historically in Australia and overseas, procurement associated with economic stimulus packages has attracted opportunists seeking to exploit the crisis. Incentives to collude increase during economic upheaval as competitors may seek to stem losses with collusive gains. The ACCC is concerned that during the COVID-19 pandemic there are real risks that expedited government spending processes and stimulus measures will be increasingly vulnerable to cartel conduct.

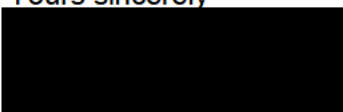
The ACCC is engaging with government agencies to assist them to deter and detect cartels in their procurement processes. The ACCC has:

- produced Cartels deterrence and detection [guidelines](#)
- provided advice on measures agencies can take at both the design and implementation phase and encouraged agencies to contact the ACCC where they have concerns. This will be supplemented with further outreach work as part of the ACCC's post COVID-19 recovery strategy
- begun developing a digital screening toolkit to detect anomalies in procurement data.

In addition, the ACCC is working with other Commonwealth agencies to improve information sharing. In particular, the ACCC has been advocating for Commonwealth procurement agencies to collect bidding data on all procurement bids in a searchable format to assist with screening for patterns, such as bid rotation agreements that could indicate fraud against the Commonwealth. Information of this kind will be critical to the success of the aforementioned digital screening toolkit.

Once again, we appreciate the opportunity to make this submission and would be happy to discuss these matters further.

Yours sincerely



Rod Sims
Chair