

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates
2017 - 2018

Division/Agency: Australian Taxation Office
Question No: 140
Topic: Project Elbrus - Investigations Start date
Reference: Hansard page 21 (30 May 2017)
Senator: Bushby, David

Question:

Senator BUSHBY: ... At what time, though, did the fraudulent activity actually start occurring? How long before those three agencies became aware of the activity did it actually start?

Mr Jordan: I am not sure. As I said, it has not been years—

Senator BUSHBY: Yes, that is my understanding.

Mr Jordan: It has all been pretty quick and amazingly large, because—remember they offered inducements to employment agencies of \$900, apparently to put people into them, and they did not charge a fee, so it was a nil fee. Sometimes, when you think something is too good to be true, it might well be. They were legitimately, apparently, on-selling health insurance, car leases and all that to all these consultants and making legitimate money out of that sort of arrangement, but, in terms of the actual starting date, perhaps Will Day might be able to help you out there.

Mr William Day: I do not have an exact date, but it was certainly pretty real-time information. In the months leading up to that initial referral in February and then from once our profiling and—

Senator BUSHBY: To clarify, you are saying it started occurring—

Mr William Day: February 16.

Senator BUSHBY: So it was the months before that the activity started?

Mr William Day: That is what I believe. We can take on notice the exact date.

Answer:

The investigations are ongoing and the ATO continues to analyse evidence obtained. Due to the potential to compromise ongoing criminal investigations and legal proceedings, the ATO is limited in the detail that can be provided.

The charges underlying Operation Elbrus relate to the period commencing from 1 July 2015.

By February 2016, the ATO had been able to link the layered entities sufficiently to warrant a referral to its Tax Evasion and Crime Unit.

The Australian Criminal Intelligence Commission initiated their investigations in August 2016 and the Australian Federal Police in September 2016.