

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry, Tourism and Resources Portfolio  
Supplementary Budget Estimates 2004-2005

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES  
**OUTCOME/OUTPUT:** ALL Outcomes and Outputs  
**TOPIC:** INCIDENTS OF FRAUD AGAINST THE DEPARTMENT  
**REFERENCE:** WRITTEN QUESTIONS ON NOTICE

**QUESTION No.29**

**Senator Ludwig asked:**

29. How many incidents of fraud were detected against the department in 2000-01, 2001-02, 2002-03, 2003-04? For each incident:
- a) What was the subject of the fraud in each instance?
  - b) What was the value of the fraud?
  - c) Which administrative unit was the subject of the fraud?
  - d) Was anyone charged with the fraud (specify if they were employed by the Department)?
  - e) Was anyone convicted of the fraud (specify if they were employed by the Department)?
  - f) Were any of the defrauded items or was any of the defrauded money recovered?

**ANSWER**

**Department of Industry, Tourism and Resources**

Relevant information in respect of incidents of fraud detected during the period in question, which were found to be of substance, is provided below. Allegations of fraud which have not been substantiated have not been included in the response. Also, the response does not duplicate the information provided in response to questions 27, 28 or 30.

**2000-2001**

1 incident of fraud detected.

Incident 1

- (a) Replacement of Departmental mobile phone with personal mobile phone.
- (b) Difficult to quantify.
- (c) Corporate Division.
- (d) No.
- (e) Code of Conduct matter.
- (f) Yes.

**2001-2002**

3 incidents of fraud detected.

Incident 1

- (a) Theft of petty cash.
- (b) \$120,000.
- (c) Australian Government Analytical Laboratories (AGAL).
- (d) Yes – employee of AGAL.
- (e) Yes – employee of AGAL.
- (f) Court imposed penalty to reimburse the Commonwealth.

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Incident 2

- (a) False application for grant.
- (b) \$500,000.
- (c) AusIndustry.
- (d) Still under investigation by law enforcement agency.
- (e) Still under investigation by law enforcement agency.
- (f) Not yet finalised. See responses to (d) and (e) above.

Incident 3

- (a) Misuse of grant funds.
- (b) Potentially \$1.445m.
- (c) AusIndustry
- (d) Still under investigation by law enforcement agency.
- (e) Still under investigation by law enforcement agency.
- (f) Not yet finalised. See responses to (d) and (e) above.

**2002-2003**

4 incidents of fraud detected.

Incident 1

- (a) False representation.
- (b) Up to \$1.144m.
- (c) AusIndustry.
- (d) Still under investigation by law enforcement agency.
- (e) Still under investigation by law enforcement agency.
- (f) Not yet finalised. See responses to (d) and (e) above.

Incident 2

- (a) False documentation.
- (b) \$270,000.
- (c) AusIndustry.
- (d) Yes – not employed by the Department.
- (e) Yes – not employed by the Department.
- (f) Court imposed penalty to reimburse the Commonwealth.

Incident 3

- (a) Misappropriation of grant funds.
- (b) \$65,000.
- (c) AusIndustry.
- (d) Yes – not employed by Department.
- (e) Still under investigation by law enforcement agency.
- (f) Not yet finalised. See responses to (d) and (e) above.

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Incident 4

- (a) Misappropriation of grant funds.
- (b) Up to \$1m.
- (c) AusIndustry.
- (d) Still under investigation by law enforcement agency.
- (e) Still under investigation by law enforcement agency.
- (f) Not yet finalised. See responses to (d) and (e) above.

**2003-2004**

3 incidents of fraud detected.

Incident 1

- (a) Attempt to bribe a Commonwealth official.
- (b) Not able to be identified.
- (c) Resources Division.
- (d) No.
- (e) No.
- (f) N/A.

Incident 2

- (a) Misuse of Commonwealth cab-charge.
- (b) \$25.
- (c) e-Business Division.
- (d) No.
- (e) Code of Conduct matter.
- (f) No.

Incident 3

- (a) Misuse of Department IT to obtain advantage.
- (b) No financial benefit.
- (c) e-Business Division.
- (d) No.
- (e) Code of Conduct matter.
- (f) N/A.

**IP Australia**

Relevant information in respect of incidents of fraud detected during the period in question is provided below.

**2000-01, 2001-02, 2002-03**

No incidents of fraud detected.

**2003-04**

1 incident of fraud detected.

- (a) Credit card misuse.
- (b) \$300.
- (c) IP Australia.
- (d) An investigation was conducted to determine whether or not the employee had breached the APS Code of Conduct
- (e) The employee was found to have breached the Code and a sanction imposed.
- (f) Amount repaid in full.

**Geoscience Australia**

Relevant information in respect of incidents of fraud detected during the period in question is provided below.

**2000-01**

1 incident of fraud detected.

- (a) Purchase of data tapes that were paid for but not delivered.
- (b) \$85,000
- (c) Geoscience Australia (Finance).
- (d) Matter referred to the AFP but they did not proceed with charges.
- (e) Geoscience Australia employee dismissed under a Code of Conduct violation.
- (f) No.

**2001-02, 2002-03, 2003-04**

No incidents of fraud detected.

**Tourism Australia**

No incidents of fraud detected during the period 2000-01 to 2003-04.