,GHQWLW\ WKHIW DQG WD[FU
PDGH LW HDVLHU WR GHIUDXG

0DWKHZ /HLJKWRQ 'DO\

$EVWUDFW

7KH PRGHUQ SKHQRPHQRQ RI RQOLQH DSSOLFDWLRQV DQG SURFHVVHV PHDQ WKD
ERWK WKH UHYHQXH DQG RWKHUV EDVHG RQ LGHQWLW\ WKHIW 7KLV DUWLFOH
LQYHVWLJDWLRQ DQG VXEVHTXHQW SURVHFXWLRQ WR LGHQWLI\ ILQDQFLDO FU
LQIRUPDWLRQ 7KH DUWLFOH DQDO\VHV WKH GHWHFWLRQ RI ILQDQFLDO FULPH
KRZ HIIHFWLYHO\ H[LVWLQJ SURFHGXUDO ODZ DQG FULPLQDO RIIHQFH OHJLVODW
7KH DUWLFOH FRQFOXGHV WKDW ZKLOH WHFKQRORJ\ KDV FUHDWHG QHZ RSSRUW
WHFKQRORJ\ FRXSOHG ZLWK H[LVWLQJ ODZ VXUURXQGLQJ WKH SURRI RI GDWD
LQFOXGLQJ WKH $XVWUDOLDQ 7D[DWLRQ 2IILFH FDQ FRXQWHU HYHQ WKH PRUH
SDUWLHV EDVHG RQ WD[SD\HU LQIRUPDWLRQ

.H\ ZRUGV: WD[DGPLQLVWUDWLRQ WD[HYDVLRQ FULPH LGHQWLW\ IUDXG

6FKRRO RI /DZ 8QLYHUVLW\ RI :RRORQJRQJ

H-RXUQDO RI 7D[5HVHDUFKU IP y P0

ILQDQFLDO WUXVW¶ WKDW WKH IU DHXGGWLOW\URRRQULUR,LQDOLDXOFH W

WUXVWHG SHUVRQV EHFRPH WUXVW YLRODWRUV ZKHQ WK

ILQDQFLDO SUREOHP WKDW LV QRQ VKDUDEOH DUH DZD

UHVROYHG E\ YLRODWLRQ RI WKH SRVLWLRQ RI ILQDQFL

UHOLDELOLW\ RI IDFWV DGGXFHG LQ FULPLQDO SURFHHG
EHLQJ EH\RQG D UHDVRQDEOH GRXEW %\ WKH VDPH WRN
SHUVRQ JXLOW\ LQ D ILQDQFLDO FULPH FDVH RQH PLJKW
FRPSOH[ILQDQFLDO SURGXFWVELQGZRUUGDVVLDFWWLRQQJ WR
WKH H[WHQW RI DQG W\SRORJLHV XVHG LQ ILQDQFLDO F
FRQYLFWLRQ GDWD PD\ QHHG WR EH WUHDWHG ZLWK FDU

2EWDLQLQJ UHOLDEOH GDWD LQ UHODWLRQ WR ILQDQFL
FRPPHQWV DERYH PRVW LQGLFWDEOH SURVHFXWLRQV D
ZKLFK RIWHQ GR QRW UHSRUW WKHLU GHFLVLRQV ,QIR
SURFHHGLQJV LQFOXGLQJ WUDQVFULSWV GRFXPHQWV WH
DV DQ\ IDFWV DJUHHG EHWZHHQ WKH SDUWLHV PD\ RQO\ E

7KH IROORZLQJ LV D GLVFXVVLRQ DQG DQDO\VLV RI VRPH
SURVHFXWLRQ RI FHUWDLQ SHUVRQV DULVLQJ IURP 6WUL
WKH 1HZ 6RXWK :DOHV 3ROLFH)UDXG 6TXDG 6WDWH &U
PRUWJDJH IUDXG7KH $DXFFWWVUDGOHLSDURGXFHG EHORZ DUH WDN
WLWOHG µ$JUHHG 6WDWHPHQW RI)DFWV¶ ZKLFK ZDV FL
'LVWULFW &RXUW ILOH

2IIHQGHUV¶ PHWKRG RI RSHUDWLRQ

&RXUW GRFXPHQWDOVWKDWPRGKMHRSSHOODRZZLQWLOJOLVHG

7KH RIIHQGHUV ZRXOG REWDLQ FRSLHV RI LGHQWLI
LGHQWLILFDWLRQ LQIRUPDWLRQ IURP WD[SD\HUV ZLWK
ZKHWKHU WKHVH WD[SD\HUV ZHUH FRPSOLFLW WR DQ
VHWWOHG

&HUWDLQ GRFXPHQWV UHODWLQJ WR WKH WD[SD\HUV
IDOVLILHG WR VKRZ D KLJKHU WD[DEOH LQFRPH 7KHG3O

WR IDFH FRQWDFW EHWZHHQ WKH DSSOLFDQW DQG S
FRPSDQ\

7KH RIIHQGHUV FDXVHG WKH PRQH\ RU SURSHUW\ RED
PDGH DYDLODEOH WR WKHP 7KLV LQYROYHG WKH RIIHQ
GLVVLSDWLQJ WKH PRQLHV

:KHQ WKH WD[SD\HUV GHIDXOWHG LQ UHVSHFW RI W
SURFHHGLQJV ZHUH FRPPHQFHG DJDLQVW WKHP WKH
NQRZOHGJH RI KDYLQJ DSSOLHG IRU ILQDQFH LQ WKH II
EHHQ WKH YLFWLP RI DQ LGHQWLW\ IUDXG

0DQ\ RI WKH IUDXGV LQYROYHG FRPSDQLHV :KHUH FRPS
ZRXOG UHFRUG WKH QDPHV RI WD[SD\HUV DV GLUHFWRUV
UHJLVWHU RI WKH $XVWUDOLDQ 6HFXULWLHV DQG ,QYH
WD[SD\HUV LQ IDFW KDG QR LQYROYHPHQW ZLWK WKH FRP
WR WKH H[WHQW RI SURYLGLQJ WKHLU SHUVRQDO LQI
WKHPVHOYHV WKH GHSOR\PHQW RI WD[SD\HUV LQ WKH V
HVVHQWLDO FRPSRQHQW RI WKH VFKHPH DQG PD\ KDYH G

7KH RIIHQGHUV FRPPXQLFDWHG EHWZHHQ WKHPVHOYHV D
YLD PRELOH SKRQH 7KLV FRPELQHG ZLWK XVLQJ WKH
IDFLOLWLHV DQG DV FRPSDQ\ GLUHFWRUV DQG VKDUHK
GHVNWRS FKHFNLQJ RU LQYHVWLJDWLRQV E\ WKH ILQDQF
WKH FRQILGHQWLDOLW\ RI WD[SD\HU LQIRUPDWLRQ ZDV
DGYDQWDJH

)UDXGV DJDLQVW ZKRP

)LUVW DQG REYLRXVO\ WKH VFKHPHV LQYROYHG D IUDXG
SURYLGHG WKH IDFLOLWLHV SXUSRUWHGO\ WR WKH WD[S
WKH $72 7KLV ZDV LQ WZR GLIIHUHQW ZD\V ,W ZDV D IU
IUDXGVWHUV ZHUH WKH EHQHILFLDULHV RI WKH PRQH\ RU
WKH VFKHPH DQG REYLRXVO\ WKLV ZDV QRW UHSRUWHG
$72 EHFDXVH WKH IUDXGVWHUV ZHUHí72H\WHG D4@ H WHV

E   WHQGHULQJ D GRFXPHQW WKDW

    L   LV RU SXUSRUWV WR EH D FRS\ RI WKH GRF

    LL   KDV EHHQ SURGXFHG RU SXUSRUWV WR I
GHYLFH WKDW UHSURGXFHV WKH FRQWHQWV

F   LI WKH GRFXPHQW LQ TXHVWLRQ LV DQ DUWLF
UHFRUGHG LQ VXFK D ZD\ DV WR EH FDSDEOH RI
RU LQ ZKLFK ZRUGV DUH UHFRUGHG LQ D FRGH L
WHQGHULQJ D GRFXPHQW WKDW LV RU SXUSRUW

G   LI WKH GRFXPHQW LQ TXHVWLRQ LV DQ DUWL

GRFXPHQWV¶ 7KLV VHFWLRQ QRW RQO\ IDFLOLWDWHV WK
DQ\ VXPPDU\ DGGXFHG IURP WKH JHQHUDO SURKLELWLRQ

7KH GHILQGRVFXPHQWLQWWLGHHQ FSHOD EDQO\ IDFLOLWDWHV SURRI
RWKHU IRUPV RI GLJLWDO HYLGHQFH WKDW PLJKW EH UHO
FULPH ,Q 6WULNH)RUFH $SLD DOWKRXJK WKH ODZ RI HY
UHOLDELOLW\ RI WKH HYLGHQFH DGGXFHG LQ WKH WULD
DGYHUVHO\ RQ HLWKHU LQYHVWLJDWLYH DQG RU SURVHF
DERYH DQDO\VLV WKH H[LYLVWGLHHQQFFLHDSSUHFWMDLVRRQVIDRFILOLWWDKWH
LQYHVWLJDWLRQ DQG SURVHFXWLRQ RI WHFKQRORJ\ HQD

)LQDQFLDO FULPH RIIHQFHV

+DYLQJ FRQVLGHUHG ZKHWKHU WKH ODZ RI HYLGHQFH HII

D   WKH SHUVRQ E\ D GHFHSWLRQ GLVKRQHVWO\
IURP DQRWKHU SHUVRQ DQG

E   WKH RWKHU SHUVRQ LV D &RPPRQZHDOWK HQW

3HQDOW\   ,PSULVRQPHQW IRU   \HDUV

$EVROXWH OLDELOLW\ DSSOLHV WR WKH SDU
RIIHQFH

7ZR OLPLQDO HOHPHQWV UHTXLULQJ VDWLVIDFWLRQ LQ D
WK&HULPLQDOR&RVGH (&ULWPKH $FDUH GHFHSWLRQ DQG
GLVKRQHVW\ ,Q UHODWLRQ WR WKH IRUPHU OLHV PLVW
FODVVLF LQGLLRQGRQ DQG *OREH)LQDQFHRXRRSSRUDWLRQ
GHILQHG GHFHSWLRQ DV IROORZV µ7R GHFHLYH LV , DS
WKDW D WKLQJ LV WUXH ZKLFK LV IDOVH DQG ZKLFK WK
EHOLHYHV WR EH IDOVH¶ 7KLV SDVVDJHSLDV DSWSURYHG
4XHHQ OLNH VHFWLRQ&ULPEHRI $FWWH: VHFWLRQ   RI WK
&ULPLQDOH[&RGHVO\ GHILQHV µGHFHSWLRQ¶ WR LQFOXGH

x D GHFHSWLRQ DV WR WKH LQWHQWLRQV RI WKH SHUV
SHUVRQ DQG

x FRQGXFW E\ D SHUVRQ WKDW FDXVHV D FRPSXWHU D
WR PDNH D UHVSRQVH WKDW WKH SHUVRQ LV QRW DX

K @ &Xtp   &XsUPLpRXFVGeE\0OWGHGFRSVWWLRRWOµXQE€H@UWLKHH@&RXPEPRR1QWZZHDHDOOGWVKFRI
GLVKRQHVW\ ZKLFK LV GHIL&QUHLPLQLDDOODFR&GRLRHQWLRQRI%WRWKH
WK&HULPHV $FWDQG LV WKH VXEMHFW RI GHWDLOHG G

7KLV TXRWH ZRXOG VXJJHVW WKDW WKHU FROOHFW WRRHU DQD
PD\ QRW KDYH EHHQ LQWHQGHG WR H[WHQG WR HYDGHG V

$W WKHRXJK KXOGHHUVEOKHWW RR@U HKLV D OGH RLQLWLRQ RI µ2EWD
DGYDQWDJH RU FDXVLQJ D ILQDQFLDO GLVDGYDQWDJH¶
LQFOXGHV WHPSRUDU\ ILQDQFLDO DG&DQPLDUDHV &R&G WH
$W FRPPRQ ODZ LW LV E\ QR PHDQV FOHDU ZKHWKHU H
DPRXQW WR D ILQDQFLDO DGYDQWDJH)RU H[DPSOH WKH
YDOXHOHVV FKHTXH ZDV LQ IDFW D FRQGLWLRQDO SD\PH
E\ WKH SD\LQJ EDQN 7KXV QR FUHGLW ZDV DVNHG IRU E\
EXW QRW D IUDXG WR REWDLRRQ YHULVQDGQFWLRQ RG 3DXEW DFJH
3RRW6HFXWLRQO\ RUUXPPQHU

WITH EXISTING LAW SURROUNDING THE PROOF OF DATA
REGULATORY AGENCIES INCLUDING THE ATO APPEAR TO
THE MORE SOPHISTICATED ATTEMPTS TO DEFRAUD TH[E]
TAXPAYER INFO