

Conspiracy to Defraud the Commonwealth

s.135.4 (Cth) Criminal Code

s 135.4 (1) Conspire to dishonest obtain gain from Commonwealth entity

(3) Conspire to dishonestly cause loss to Commonwealth entity

(5) Conspire to dishonestly cause loss, or dishonestly cause risk of loss, to Commonwealth entity, knowing or believing that loss will occur or that there is substantial risk of loss occurring

(7) Conspire to dishonestly influence Commonwealth public official in exercise of official's duties as a public official

Maximum Penalty: 10 years

Commenced: 24.5.2001

	Case (age if known)	Offence	Amount	Plea	Sentence	Appeal	Record	Facts
1.	Bell (56) [2008] NSWCCA 206	s.135.4(1)	\$556,039	PG (15%)	6y 6m NPP 3y 10m	AA 5y 6m NPP 3y 3m	Nil	Director of company engaged in fraud by co-offender on television company – co-offender a production manager who arranged for money to be paid to offender's company on false invoices – 72 invoices over two years – similar culpability – received \$248,088 of money obtained Nil repayments

This table has been prepared by the Public Defenders as a guide. Individual cases should be read if they are to be relied upon.

	Case (age if known)	Offence	Amount	Plea	Sentence	Appeal	Record	Facts
4.	Liles (65 at sentence) [2012] NSWSC 1249 Schmidt J [2014] NSWCCA 289	Consp s.29D / 86(2) (Cth) [20y] Consp s.29D / 86(2) (Cth) [20y] s.135.4(3) s.135.4(3) Sched: 2 x conspiracy to defraud	Over \$2m	PG (37% for plea and assist)	2y 6m 2y 3w 2y 6m 5y 2w <u>Total:</u> 8y 3m NPP 4y 11m	AA 1y 7m 4m 1y 7m 3y 2m <u>Total</u> 5y 9m NPP 3y 6m	Nil	Female accountant committed offences over 9 years 1997-2006 – international tax avoidance schemes – did not establish schemes but continued to assist clients after advising of illegality – later became effective operator – took active steps to conceal offences – received some financial benefit in way of professional fees Senior accountant – past President of National Institute of Accountants and involved in National Tax Liaison Group - principal carer for husband – chronic physical and mental medical problems – reduced life expectancy
5.	J Sakovits (62) R Sakovits (64) [2013] NSWSC 464 Hall J [2014] NSWCCA 109	Consp 29D / 86(2) (Cth) [20y] s.135.4(3) Consp 29D / 86(2) (Cth) [20y] s.135.4(3)	\$1,177,893	VG VG	6m 5y NPP 2y 6m (concurrent) 6m 5y NPP 2y 6m (concurrent)	AD AD	Nil Nil	Husband and wife directors of company – tax avoidance scheme over 5y 5m – link to Liles – false invoices and false records – sophisticated planning – multiple acts – greed - lengthy, persistent and calculated fraud Ill health – delay See also Liles [2012] NSWSC 1249; [2014] NSWCCA 289
6.	Mereb Younan [2014] NSWCCA 149	s.135.4(3)	\$1m	VG	4y NPP 2y	Crown AD		Business owners agreed to participate in tax fraud scheme proposed and organised by accountants – participated over 5 years Repaid tax shortfall – will make penalty payments requiring sale of houses – largely co-operated – delay

This table has been prepared by the Public Defenders as a guide. Individual cases should be read if they are to be relied upon.

	Case (age if known)	Offence	Amount	Plea	Sentence	Appeal	Record	Facts
7.	Bennett (51) [2015] NSWCCA 56 Co-offender: ZERAFA AGIUS	Consp s.29D / 86(2) (Cth) [20y] s.135.4(3)		VG	4y 9m NPP 2y 4m	AD		A and P participated in a scheme set up and promoted by AG which enabled its participants to evade company tax and income tax - false deductions amounted to \$112,000 producing a tax shortfall of \$40,320 - conduct perpetrated over five years - involved considerable deliberation and dishonesty. Good character – hard-working professional – supportive family
8.	Dickson (No.18) (50) [2015] NSWSC 268 Beech–Jones J [2016] NSWCCA 105 Co-offender: ISSAKIDIS	s.135.4(5) Consp to deal with proceeds of crime: s.400.3(1) [25y]	\$135 million	VG	7y 6m 9y <u>Total:</u> 11y NPP 7y	Crown AA 9y 12y <u>Total:</u> 14y NPP 9y 3m	nil	Tax fraud in worst category of offence – conspiracy to deal with proceeds of crime very serious example of offence - offender and co-conspirator were directors of company - agreed to make false depreciation claims in company tax returns – sham agreements to acquire medical technology as basis for depreciation claims – submission of false material to Australian Tax Office to support claims – extent of loss or risk of loss \$135 million – personal benefit - dishonest and fraudulent tax scheme on a large scale - high degree of planning and sophistication. Prior good character – well-educated, employed
9.	Chang [2016] NSWCCA 296	s.135.4(3)	2,994,990	VG	5y NPP 3y	AD		Involved in scheme inflating and receiving GST funds – employee with intimate knowledge of, and involvement in, scheme – co-conspirators owner of companies and internal accountant
10.	Issakidis (74) [2018] NSWSC 378 Co-offender: DICKSON	Consp to deal with proceeds of crime: s.400.3(1) [25y] s 135.4(5)	\$135 million	VG	8y 3m 7y <u>Aggregate:</u> 10y 3m NPP 7y 6m		Nil relevant	Tax fraud in worst category of offence - conspiracy to make false depreciation claims in company tax returns and conspiracy to launder proceeds of crime through offshore accounts - loss to Commonwealth exceeded \$100M - intended loss to Commonwealth approximately \$135M – offences involved intricate planning and preparation over a number of years - worst category offences – motivated by greed – no contrition - role marginally less significant than co-accused - less involved in production of documents than in dealing with people to maintain semblance of legitimacy - share of proceeds smaller than co-offender but still in excess of \$15M. Good prospects of rehabilitation –significant delay – hardship to offender and his wife – mental and physical health problems – advanced age

This table has been prepared by the Public Defenders as a guide. Individual cases should be read if they are to be relied upon.

	Case (age if known)	Offence	Amount	Plea	Sentence	Appeal	Record	Facts
11.	Kitson (37) [2019] NSWSC 1109 Payne J [2022] NSWCCA 166 Co-offender: ANQUETIL HAMMOND L.CRANSTON	s.135.4(3)	Over \$105m	PG (25%)	4y 6m NPP 3y		Nil	Involved in tax fraud conspiracy over three years with – payroll service company set up and used to misappropriate money taken from clients for tax payments – high level of sophistication, premeditation and dishonesty – total loss to ATO \$105,625,304.36 – not designer of scheme but actively involved from early stage – responsible for sourcing clients and building up business – later employed as manager – attempted to destroy records to conceal offence – personally received \$1.3m – slightly below principals: essential facilitator – aware at least \$80m involved – towards top of range Prior good character - remorse
12.	Hammond (22 at beginning of offence) [2020] NSWSC 888 Payne J Co-offender: KITSON ANQUETIL L.CRANSTON	s.135.4(3) s.400.3(1)	See facts	PG (25%)	<u>Indicative:</u> 2y 3y <u>Aggregate:</u> 4y NPP 2y		Nil	Involved in tax fraud conspiracy that used payroll service company to misappropriate money taken from clients for tax payments – scheme high level of sophistication, premeditation and dishonesty – offender employed by company for several months before becoming aware of scheme – continued involvement aware of illegality and extent of fraud – involved in accounting and financial transactions - total loss to ATO during involvement of offender \$101,584, 952.81 – took active steps to conceal conspiracy – bottom of hierarchy – money laundered \$49,084,316.55 – received small financial benefit compared to co-conspirators - role place offence at just below mid-range Female - youth and inexperience – acted from misguided sense of trust and loyalty – remorse and contrition – prior good character

This table has been prepared by the Public Defenders as a guide. Individual cases should be read if they are to be relied upon.

	Case (age if known)	Offence	Amount	Plea	Sentence	Appeal	Record	Facts
13.	Anquetil [2020] NSWSC 995 Payne JA [2021] NSWCCA 59 Co-offender: KITSON HAMMOND L.CRANSTON	s.135.4(3) s.400.3(1) Sched: s.400.3(1)	See facts	PG (25%)	4y 8m 6y <u>Total:</u> 7y 6m NPP 5y	Crown AD	Nil	Involved in tax fraud conspiracy over three years with – payroll service company set up and used to misappropriate money taken from clients for tax payments – high level of sophistication, premeditation and dishonesty – one of the most serious tax fraud offences seen by the courts – total loss to ATO \$105,625,304.36 – a principal and one of four to establish scheme – performed critical role throughout scheme – at apex of hierarchy – money laundering offence well above mid-range – sophisticated, organised and diverse – use of false entities and business records – involved in laundering over \$28m with ultimate personal benefit of \$12,218,148.55 – schedule offence involved payment \$24,244,760.64 in response to blackmail threats Genuine remorse and contrition – prior good character – good prospects of rehabilitation
14.	Assie [2020] NSWCCA 249	s.135.4(3) Proceeds of crimes s.400.9(1) [3y]	\$137,397	PG (10%)	5y 9m <u>Aggregate</u> 5y NPP 3y 3m	AD		Female - with late husband gave advice and assistance to various co-conspirators to obtain Commonwealth social security benefits (“carer payments” and “carer allowances”) to which not entitled – received cash payments from “customers” in exchange for completing and lodging claim form with Centrelink on their behalf - received at least \$11,000 for her role Arranged marriage to husband at age 18 – power imbalance in relationship – but exercised choice to participate in offence and continued after husband died - remorse

This table has been prepared by the Public Defenders as a guide. Individual cases should be read if they are to be relied upon.

	Case (age if known)	Offence	Amount	Plea	Sentence	Appeal	Record	Facts
15.	<p>Assi</p> <p>Jomaa</p> <p>[2021] NSWCCA 181</p>	<p>s.135.4(3)</p> <p>Sched: s.400.5(1)</p> <p>s.233BABAD(1) <i>Customs Act</i></p> <p>s.135.4(3)</p> <p>Sched: s.400.5(1)</p> <p>s.233BABAD(1) <i>Customs Act</i></p> <p>s.144.1 Cth <i>Criminal Code</i></p>	Over \$2.4m duty avoided	<p>PG (17.5%)</p> <p>PG (17.5%)</p>	<p>24m 3w 15m 3w recognisance release order</p> <p>17m recognisance release order</p>	<p>AD</p> <p>AD</p>	<p>Use false statement and dispose of property with intent to defraud</p> <p>Nil</p>	<p>Both offenders became involved in conspiracy to import cigarettes without payment of excise duty – two containers imported with total avoided excise duty over \$2.4m – each offender provided false documents in relation to one container – received \$20,000 of promised \$80,000 fee (proceeds offences) – willing, knowledgeable participants, integral to agreement</p> <p>A - operations manager / truck driver for freight forwarding business – other offence on schedule involved participation in meetings discussing other importation</p> <p>J – offending slightly more serious because of position as licenced customs broker – further offences involved giving advice in relation to another importation and lodging false documents – prior good character and low prospects of re-offending – some remorse – loss of licence – wife in poor health</p> <p>On appeal – rejected parity ground – error made on aggravating factor in relation to J but no lesser sentence on re-sentence</p>
16.	<p>L.Cranston (21-24)</p> <p>[2023] NSWSC 454</p> <p>Payne JA</p> <p>Co-offender: ANQUETIL KITSON HAMMOND</p>	<p>s.135.4(3)</p> <p>s.400.3(1)</p>	See facts	VG	<p>4y</p> <p>6y</p> <p>Total: 8y NPP 5y</p>		Nil	<p>Involved in tax fraud conspiracy that used payroll service company to misappropriate money taken from clients for tax payments over 3 years – scheme high level of sophistication, premeditation and dishonesty – towards highest range of objective seriousness - offender trusted and responsible although subordinate role – became aware of illegality after working for 11m and continued involvement – persistent course of conduct - total loss to ATO during involvement of offender \$101,584,952.81 – at or near bottom of hierarchy – money laundered \$49,084,316.55 – received financial benefit of \$181,639.96 – similar culpability to Hammond</p> <p>Female - primarily motivated by misguided loyalty to brother – no contrition – prior good character – prospects of rehabilitation fair – 5y daughter – assistance in conduct of trial - delay</p>

This table has been prepared by the Public Defenders as a guide. Individual cases should be read if they are to be relied upon.

	Case (age if known)	Offence	Amount	Plea	Sentence	Appeal	Record	Facts
17.	Wilmott [2023] NSWSC 474 Payne JA Co-offender: L.CRANSTON A. CRANSTON ONLEY MENON	s.135.4(3) s.400.3(1)	See facts.	VG	5y 7y <u>Total:</u> 9y NPP 6y		Nil	Involved in tax fraud conspiracy that used payroll service company to misappropriate money taken from clients for tax payments – scheme high level of sophistication, premeditation and dishonesty. Offender involved in transfer of \$31 million to second-tier companies, representing about 30 per cent of total \$105 million misappropriated by the group - received direct financial gain of \$498,272- reward significantly less than principals. Role well below others (but above co-offenders L.Cranston and Hammond) - not an instigator or architect of conspiracies and acted under instructions - central role as knowing active participant for 2 years - effective 'chief managing officer' of the second-tier companies - not involved in destroying records and computers as other conspirators were. University educated adult – no contrition - prospects of rehabilitation good - prior good character.

Last updated: May 2023

This table has been prepared by the Public Defenders as a guide. Individual cases should be read if they are to be relied upon.