



Australian Government

Australian Institute of Criminology

AIC reports

Statistical Report

15

**Commonwealth fraud
investigations 2016–17:
Appendix**

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ISSN 2206-7930 (Online)

ISBN 978 1 925304 03 9 (Online)

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Published by the Australian Institute of Criminology
GPO Box 1936 Canberra ACT 2601
Tel: (02) 6268 7166
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Website: aic.gov.au

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General editor: Dr Rick Brown, Deputy Director, Australian Institute of Criminology

Edited and typeset by the Australian Institute of Criminology

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Methodology

In accordance with the Commonwealth Fraud Control Policy, all non-corporate Commonwealth entities are required to collect information on fraud and complete an online questionnaire by 30 September each year. While corporate Commonwealth entities are not formally required to complete the questionnaire, the government considers that the collection of fraud information by these entities is best practice and expects that they will also complete the annual fraud questionnaire by the due date.

To facilitate preparing the report to government, each year Commonwealth entities are asked to complete an online questionnaire that asks about their experience of fraud investigations and how they managed and responded to fraud and risks of fraud.

Table A1 shows the number and percentage of entities that participated in the census in 2015–16 and 2016–17. Changes in the number of entities invited to participate in each of the two years were due to machinery of government changes, which alter the number of entities present in the Australian Public Service following mergers or cessation of operations. Due to some machinery of government changes that occurred part-way through a financial year, there is the potential that some entities provided data for two returns—one prior to and one following a merger. Efforts were made by entities not to duplicate responses, although there is the potential that some fraud investigations may have been double-counted. It is believed that this would affect only a small number of entities.

Over the two years, there was an overall reduction in participation by 10 percentage points, with the largest decline being in the percentage of corporate entities participating (a reduction of 23 percentage points). By contrast, the number of Commonwealth companies participating increased slightly.

Table A1: Number of entities participating in the 2015–16 and 2016–17 fraud censuses

Entity details	2015–16		2016–17	
	N	%	N	%
Invited to participate in the census	179	100	179 ^b	100
Completed census	148	83 ^a	131	73 ^a
Total non-corporate entities in the Commonwealth	96	54	94	52
Total corporate entities in the Commonwealth	68	38	71	39
Total Commonwealth companies in the Commonwealth	15	8	15	8
Non-corporate entities who participated	90	94 ^c	84	89 ^c
Corporate entities who participated	54	79 ^d	40	56 ^d
Commonwealth companies that participated	4	27 ^e	7	47 ^e

a: The percentage of entities completing the census is technically higher than reported due to some joint responses from entities merged under machinery of government changes part-way through the financial year

b: The number of entities invited was 179. Although the Department of Finance had 180 entities listed on the PGPA list of Commonwealth entities, one entity was only formed in June 2017 and due to its limited time in operation was not invited to participate in the census for 2016–17

c: Percentage of non-corporate entities that participated out of total non-corporate entities

d: Percentage of corporate entities that participated out of total corporate entities

e: Percentage of Commonwealth companies that participated out of total Commonwealth companies

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Respondents were asked to provide information by completing a secure, online questionnaire that recorded results anonymously (without naming individual entities or people). The aim was to canvass the experience of fraud across the government as a whole, rather than by individual entity. There was a reduction in the number and percentage of entities participating in the 2016–17 census, from 83 percent of entities participating in 2015–16, to 73 percent in 2016–17. The reduction was largely due to the fact that, although the census is mandatory for all non-corporate entities, it is not mandatory for corporate entities and Commonwealth companies; however, completion is regarded as best practice.

Further information on the investigation and prosecution of fraud within the Commonwealth was also provided by the AFP and the CDPD for matters handled each year, regardless of when frauds were committed.

AFP investigations

Paragraph 14 of the 2017 framework (formerly paragraph 18 of the 2014 framework) requires the AFP to provide the AIC with information on all fraud incidents against the Commonwealth that were referred to or accepted or declined by the AFP during the previous financial year, in a form requested by the AIC.

The current framework (AGD 2017) provides the following list of matters that are considered to be of sufficient seriousness and complexity to warrant referral to the AFP:

- significant or potentially significant monetary or property loss to the Commonwealth;
- damage to the security, standing or integrity of the Commonwealth or an entity;
- harm to the economy, national security, resources, assets, environment or wellbeing of Australia;
- a serious breach of trust by a Commonwealth employee or contractor of an entity;
- the use of sophisticated techniques or technology to avoid detection, which requires specialised skills and technology for the matter to be successfully investigated;
- the elements of a criminal conspiracy;
- bribery, corruption or attempted bribery or corruption of a Commonwealth employee or contractor to an entity;
- known or suspected criminal activity against more than one entity;
- activities which could affect wider aspects of Commonwealth law enforcement (eg illegal immigration or money laundering); and
- politically sensitive matters.

CDPP prosecutions

For each financial year, individual state and territory statistics are provided on:

- the number of fraud-type matters referred to the CDPP;
- the number of defendants and charges prosecuted;
- the amount initially charged in each fraud-type prosecution;
- the outcomes of prosecutions, including:
 - the number of convictions;
 - the number of acquittals;
 - the number of other outcomes; and
 - amounts ordered by courts by way of reparation orders under the *Crimes Act 1914* (Cth) and pecuniary penalty orders under the *Proceeds of Crime Act 1987* (Cth).
- the number of charges by offence;
- the number of charges by referring entity; and
- the number of proved offences by highest sentencing disposition.

Limitations

Self-reported victimisation research of this kind has a number of limitations, one of the most important of which relates to the veracity and accuracy of responses provided. The 2016–17 census was generally limited to detected fraud incidents where investigations had been commenced or finalised within the specified reference period of the questionnaire (1 July 2016 to 30 June 2017). An investigation was defined as ‘a separate inquiry, review or evaluation into allegations of fraud undertaken by an entity, or by a law enforcement or external consultant once fraud was detected or the entity was notified of fraud occurring’. Undetected or unreported fraud was excluded, as were frauds that were detected but written off, either due to their low value or because there were insufficient resources to undertake an investigation. This could affect the generalisability of the results to wider populations (Padgett 2015).

On occasions, suspects may not have explained why they committed the offence and, if the suspect had simply been dismissed from the organisation, details of the outcome may not have been recorded. The collection of data relied upon respondents to the census—the entities’ delegates—knowing the full details of the alleged fraud and subsequent investigation. In some instances, that may not have been the case—for example, where no suspect was identified. By changing the data collection framework to focus on investigations rather than fraud incidents, it was anticipated that respondents would be better placed to submit complete information concerning the matters they dealt with, particularly where investigations had been completed.

As the results show, a number of respondents were unable or unwilling to answer some questions. Often the relevant information had not been collected during the investigation or could not be retrieved for the purpose of answering the questions, possibly because the person completing the census had not been involved in investigating the matter. Information on the outcome of an investigation was also unavailable where proceedings had not been finalised and where reporting entities had not yet been notified of the result of any trials and appeals. Nonetheless, the study provides a comprehensive indication of how and why fraud within the Commonwealth takes place and by whom it is committed. As such, it should assist in informing those working in fraud control and risk management who are charged with understanding and addressing the problem.

Questionnaire

The questionnaire collected information about the responding entities, the types of fraud investigated, and the nature and outcomes of investigations, and the demographic details of suspects. The full questionnaire is included at page 62.

Companion tables

Participation

Details of the size of entities participating in the census for both 2015–16 and 2016–17 are presented in Table A2. Entity sizes were defined as either: micro (0–50 staff); small (51–200 staff); medium (201–1,000 staff); or large (over 1,000 staff).

Table A2: Entity size groups, 2015–16 and 2016–17				
Entity size	2015–16		2016–17	
	Number of entities in group	Percentage of entities in each group	Number of entities in group	Percentage of entities in each group
Number of staff				
Micro 0–50	36	24%	24	18%
Small 51–200	36	24%	36	28%
Medium 201–1,000	42	28%	37	28%
Large 1,001 and over	34	23%	34	26%

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Details of the entities' core business functions are presented in Table A3.

Table A3: Principal function of entity's core business, 2015–16 and 2016–17 (N)		
Principal function	Number of entities 2015–16	Number of entities 2016–17
Policy	19	22
Research	11	12
Legal and/or regulatory functions	33	31
Financial service delivery and/or provider of funds and revenue collection	12	11
Non-financial services	0	1
Administration and/or provision of grants	6	3
Law enforcement and/or intelligence	6	5
National security	6	2
Welfare and/or health	6	5

Table A3: Principal function of entity’s core business, 2015–16 and 2016–17 (N) (continued)

Principal function	Number of entities 2015–16	Number of entities 2016–17
Culture/arts function	10	9
Environmental science and/or regulation or planning policy or administration	5	9
Education and/or training administration	3	2
Other	31	19
Total	148	131

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Details of the principal function of the entity analysed by the size of the entity are presented in Table A4. Entities of all sizes performed similar principal functions, indicating very similar fraud risks across Commonwealth entities, irrespective of size.

Table A4: Principal function of entity by size, 2016–17 (N)

Principal function of entity	Entity size			
	Micro (0–50)	Small (51–200)	Medium (201–1,000)	Large (1,001+)
Policy	6	6	2	8
Research	2	4	3	3
Legal and/or regulatory functions	2	10	16	3
Financial service delivery and/or provider of funds and revenue collection	5	3	1	2
Non-financial services	1	0	0	0
Administration of grants	0	1	1	1
Law enforcement and/or intelligence	1	0	0	4
National security	0	0	0	2
Welfare and/or health services	1	1	1	2
Cultural/arts functions	2	3	3	1
Environmental science and/or regulation or planning policy or administration	1	3	3	2
Education and/or training administration	0	1	0	1
Other	3	4	7	5

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Investigations commenced

Respondents were asked if they had commenced any fraud investigations in 2016–17. A fraud investigation was considered to have ‘commenced’ when allegations were of sufficient merit to warrant further inquiry and this was begun. Excluded were trivial, vexatious and/or allegations that were unable to be substantiated or could not be further investigated. In 2016–17, 50 entities commenced fraud investigations. The largest percentage of these involved large entities with more than 1,000 staff, as indicated in Table A5.

Entity size	2015–16		2016–17	
	Number of entities commencing an investigation	Percentage of entities in category	Number of entities commencing an investigation	Percentage of entities in category
Micro	2	6	0	0
Small	5	14	7	19
Medium	14	33	16	43
Large	30	82	27	79
All	51	34	50	38

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Details of the number and percentage of entities that commenced fraud investigations by principal function of the entity are presented in Table A6.

Entity function	Number of entities commencing fraud investigations	% of entities commencing investigations	Total number of entities in that group
Policy	7	47%	22
Research	4	33%	12
Legal and/or regulatory functions	9	29%	31
Financial service delivery and/or provider of funds/revenue collection	3	27%	11
Non-financial service	0	0%	1
Administration and/or provision of grants	2	67%	6
Law enforcement and/or intelligence	2	40%	5
National security	2	100%	2
Welfare and/or health services	3	60%	5
Culture/arts functions	3	33%	9
Environmental science and/or regulation or planning policy or administration	4	44%	9

Table A6: Principal entity function and number of entities commencing fraud investigations in 2016–17

Entity function	Number of entities commencing fraud investigations	% of entities commencing investigations	Total number of entities in that group
Education and/or training administration	2	100%	2
Other	9	47%	19

Source: Commonwealth fraud census 2016–17 [AIC data file]

Investigations finalised

Respondents were also asked to indicate if they had finalised any fraud investigations in 2016–17. Details of the number of internal fraud investigations finalised and the number of entities involved by the size of the entity are presented in Table A7.

Table A7: Number of internal fraud investigations finalised in 2016–17 by entity size (N)

Entity size	Number of investigations	Number of entities
Micro	0	0
Small	6	3
Medium	14	8
Large	2,351	22

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Details of who conducted investigations and the number of investigations relating to internal fraud are presented in Table A8.

Table A8: Number of internal fraud investigations finalised in 2015–16 and 2016–17 and number of entities by who conducted them finalise in 2015–16 and 2016–17 (N)

Who conducted investigation	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Investigated by the entity only	1,129	25	2,347	27
Solely external investigation by consultant investigator	1	1	8	4
Solely external investigation by Australian Federal Police (AFP)	3	3	1	1
Solely external investigation by state or territory police	0	0	0	0
Solely external investigation by a financial institution	0	0	0	0
Solely external investigation by the Australian Commission for Law Enforcement Integrity (ACLEI)	132	1	0	0

Table A8: Number of internal fraud investigations finalised in 2015–16 and 2016–17 and number of entities by who conducted them finalise in 2015–16 and 2016–17 (N)

Who conducted investigation	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Solely external investigation by other organisation	1	1	2	2
Internal entity investigation preceded by or followed by external investigation by consultant investigator	3	1	2	2
Internal entity investigation preceded by or followed by external investigation by the AFP	3	3	1	1
Internal entity investigation preceded by or followed by external investigation by state or territory police	3	3	4	2
Internal entity investigation preceded by or followed by external investigation by a financial institution	0	0	0	0
Internal entity investigation preceded by or followed by external investigation by ACLEI	0	0	6	1
Internal entity investigation preceded by or followed by external investigation by other organisation	0	0	0	0

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Respondents were also asked to indicate the number of external fraud investigations finalised in 2016–17. This reporting period was unusual, in that over 95 percent of the external fraud investigations finalised by large entities were attributable to one large entity. That entity experienced a large number of payment card frauds due to the introduction of a new retail payment card scheme. This scheme was later withdrawn until the fraud vulnerabilities associated with the scheme had been resolved. This type of fraud was due to a specific fraud risk associated with a new payment card system that involved individuals using stolen cards to conduct unauthorised transactions, resulting in a loss to the Commonwealth. The responsible entity was notified of the frauds by an external party and reviewed each transaction to determine whether the fraud was linked to the payment card scheme and the extent of individual losses involved. Although each fraud involved a similar modus operandi, they were counted as separate investigations owing to the presence of separate individual offenders in each matter.

The increased number of external frauds for 2016–17 is reflected in the following tables.

Details of the number of external fraud investigations and the number of entities by the size of entities are presented in Table A9.

Table A9: Number of external fraud investigations finalised in 2016–17 by entity size (N)			
Entity size	Number of investigations		Number of entities
Micro	0		0
Small	187		5
Medium	518		11
Large	348,461		23

Source: Commonwealth fraud census 2015–16, 2016–17 [AIC data file]

Details of who conducted investigations and the number of investigations relating to external fraud are presented in Table A10.

Table A10: Number of finalised external fraud investigations and number of entities by who conducted them, 2015–16 and 2016–17 (N)				
Who conducted investigation	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Investigated by the entity only	2,735	24	348,766	28
Solely external investigation by consultant investigator	44	3	3	3
Solely external investigation by the AFP	6	4	4	3
Solely external investigation by state or territory police	16	3	7	4
Solely external investigation by a financial institution	24	3	5	3
Solely external investigation by ACLEI	0	0	0	0
Solely external investigation by other organisation	246	2	198	4
Internal entity investigation preceded by or followed by external investigation by consultant investigator	0	0	1	1
Internal entity investigation preceded by or followed by external investigation by the AFP	19	7	156	5
Internal entity investigation preceded by or followed by external investigation by state or territory police	9	4	9	3

Table A10: Number of finalised external fraud investigations and number of entities by who conducted them, 2015–16 and 2016–17 (N)

Who conducted investigation	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Internal entity investigation preceded by or followed by external investigation by a financial institution	10	2	1	1
Internal entity investigation preceded by or followed by external investigation by ACLEI	0	0	0	0
Internal entity investigation preceded by or followed by external investigation by other organisation	16	3	16	6

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Detections

Respondents were asked to provide information on how the internal fraud was detected (Table A11).

Table A11: Detection methods, internal fraud investigations finalised in 2015–16 and 2016–17 (N)

Detection method	2015–16		2016–17	
	Number of investigations detected	Number of entities	Number of investigations detected	Number of entities
Tip-off within entity	211	17	372	14
Tip-off external to entity	45	5	85	12
Staff member detected	NA	NA	267	17
Internal management review	111	11	65	4
Internal audit	17	4	64	5
Data analytics	522	3	1,440	4
Accidental detection	3	2	1	1
Account reconciliation	NA	NA	4	3
Document examination	70	1	0	0
External audit	4	1	4	1
Law enforcement notification to entity	3	2	1	1
Reporting by financial institution	1	1	1	1

Table A11: Detection methods, internal fraud investigations finalised in 2015–16 and 2016–17 (N)

Detection method	2015–16		2016–17	
	Number of investigations detected	Number of entities	Number of investigations detected	Number of entities
Information technology controls	3	3	2	2
Self-reporting/confession	8	4	8	2
Not recorded/unknown	12	2	34	4
Other	87	5	24	4

Note: NA indicates a question not included in that year’s census
 Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Details of detection methods for external fraud for 2015–16 and 2016–17 are presented in Table A12.

Table A12: Detection methods, external investigations finalised in 2015–16 and 2016–17 (N)

Detection method	2015–16		2016–17	
	Number of investigations detected	Number of entities	Number of investigations detected	Number of entities
Tip-off within entity	301	16	855	10
Tip-off external to entity	725	17	1,064	20
Staff member detected	NA	NA	166	16
Internal management review	50	5	4	2
Internal audit	61	5	149	3
Data analytics	178	7	46	4
Accidental detection	43	2	20	2
Account reconciliation	NA	NA	0	0
Document examination	34	7	2	2
External audit	15	1	0	0
Law enforcement notification to entity	38	4	48	5
Reporting by financial institution	25	6	343,651	3
Information technology controls	5	1	130	3
Self-reporting/ confession	15	2	1	1
Other	1,523	11	2,613	12
Not recorded/ unknown	8	5	437	3

Note: NA indicates a question not included in that year’s census
 Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Factual outcomes of investigations

Respondents were asked to list the factual outcomes of the investigations conducted. Table A13 provides the number of investigations substantiated or not substantiated and number of entities involved for internal fraud investigations 2016–17, by entity size.

Entity size	Allegations substantiated	All allegations not substantiated	Allegations did not meet threshold for an investigation
Micro	0	0	0
Small	1	5	0
Medium	4	9	1
Large	1,781	480	102

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC computer file]

Table A14 provides the list of outcomes and the number of internal fraud investigations and number of entities involved for 2015–16 and 2016–17.

Outcome of investigations	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Allegations substantiated (in full or partially)	674	25	1,786	23
Allegations not substantiated	407	15	494	19
Allegations did not meet threshold for investigation (investigation not warranted etc.)	48	7	103	7
Allegations referred to another agency and outcome unknown	NA	NA	9	4
Other outcomes	28	5	37	6

Note: NA indicates that the question was not included in that year's questionnaire

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Table A15 provides the number of investigations substantiated or not substantiated and the number of entities involved for external fraud investigations 2016–17, by entity size.

Entity size	Allegations substantiated	All allegations not substantiated	Allegations did not meet threshold for an investigation
Micro	0	0	0
Small	109	2	49
Medium	151	305	18
Large	345,414	2,503	439

Source: Commonwealth fraud census 2016–17 [AIC data file]

Table A16 provides the list of outcomes and the number of external fraud investigations and number of entities involved for 2015–16 and 2016–17.

Outcome of investigations	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Allegations substantiated (in full or partially)	2,031	29	345,674	26
Allegations not substantiated	558	20	2,811	24
Allegations did not meet threshold for investigation (investigation not warranted, etc.)	361	9	506	13
Allegations referred to another agency and outcome unknown	NA	NA	68	13
Other outcomes	136	9	323	9

Note: NA indicates that the question was not included in that year’s questionnaire
 Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Results of investigations

Respondents who indicated that a fraud investigation had been finalised in 2015–16 and 2016–17 and that the fraud had been substantiated, either partially or in full, were asked to state the principal result of the investigation. Table A17 presents the full list of results and responses provided by respondents for finalised internal fraud investigations.

Table A17: Finalised internal fraud investigations results, 2015–16 and 2016–17 (N)				
Result of investigation	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
No further action taken	63	5	1,006	7
Matter referred to police (state or federal) or another agency	NA	NA	9	4
Termination of employment or contract by dismissal	100	9	71	7
Resignation of employee	34	11	29	8
Claim or benefit withdrawn or terminated	7	1	0	0
Administrative sanctions (eg APS Code of Conduct)	258	12	355	9
Civil court determination (eg damages or injunctions)	0	0	0	0
Criminal court conviction outcomes	4	3	6	3
Criminal court non-conviction outcomes	2	1	0	0
Other	244	14	318	6

Note: NA indicates that the question was not included in that year's questionnaire
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Examples of 'other' outcomes involving internal fraud included:

- formal reprimands;
- referrals to the Commonwealth Director of Public Prosecutions (CDPP); and
- referrals internally for the attention of management.

Further analyses were undertaken of internal fraud investigations finalised as 'no further action' in terms of the size of the entity. Table A18 presents details of the number of entities by size and the number of investigations that resulted in no further action being taken for 2016–17.

Table A18: Internal fraud investigations results—no further action, by entity size 2016–17 (N)		
Entity size	Number of investigations	Number of entities
Micro	0	0
Small	2	1
Medium	0	0
Large	1,004	6

Source: Commonwealth fraud census 2016–17 [AIC data file]

Table A19 presents the full list of results and responses provided by respondents for finalised external fraud investigations for 2015–16 and 2016–17. In 2016–17, a large number of investigations involving external fraud resulted in no further action being taken (N=342,256). Over 99 percent of these investigations were from one large entity. The frauds involved the unauthorised use of payment cards and, after detection, the entity resolved the matter with the financial institution.

Table A19: Finalised external fraud investigations results, 2015–16 and 2016–17 (N)				
Results of investigations	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
No further action taken	273	12	342,256 ^a	11
Matter referred to police (state or federal) or another agency	NA	NA	84	10
Termination of employment or contract by dismissal	79	2	0	0
Resignation of employee	13	2	0	0
Claim or benefit withdrawn or terminated	16	5	3	1
Administrative sanctions (eg APS Code of Conduct)	101	4	2,227	3
Civil court determination (eg damages or injunctions)	2	2	0	0
Criminal court conviction outcomes	159	13	266 ^b	10
Criminal court non-conviction outcomes	2	1	5	4
Other	1,459	19	1,351	20

Note: NA indicates a question not included in that year’s census

a: Over 99 percent of these investigations were attributable to one large entity and were dealt with by a financial institution

b: In the 2016–17 results one entity provided the number of offenders, not the number of investigations. A conversation with the entity indicated it would have been too difficult to calculate the number of investigations as multiple people were charged from multiple investigations. The total number of results finalised therefore exceeds the number of fraud investigations where fraud was substantiated

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Further analyses were undertaken of external fraud investigations finalised as ‘no further action’ in terms of the size of the entity. Table A20 presents details of the number of entities by size and the number of investigations that resulted in no further action being taken for 2016–17.

Table A20: Finalised external fraud investigations results—no further action, by entity size 2016–17 (N)

Entity size	Number of investigations	Number of entities
Micro	0	0
Small	5	1
Medium	17	4
Large	342,234	6

Source: Commonwealth fraud census 2016–17 [AIC data file]

Fraud targets

Respondents were asked to indicate how many alleged investigations that involved internal fraud were focused on each of a number of specified resources, objects of benefit or targets of the alleged activity. Four main categories were provided: government equipment, entitlements, information and financial benefits. As a fraud could involve more than one target, respondents were asked to include multiple responses where applicable. Information was collected both on the number of entities that experienced fraud and on the number of investigations finalised.

Table A21 shows the number of internal fraud investigations by target and the number of entities conducting those investigations for 2015–16 and 2016–17.

Table A21: Fraud targets for internal frauds investigated in 2015–16 and 2016–17 (N)

Targets	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Equipment				
Commonwealth office equipment (other than ICT)	1	1	2	2
Commonwealth ICT equipment	20	4	36	5
Commonwealth resources (other than vehicles)	4	3	9	7
Commonwealth vehicles	4	4	2	2
Other Commonwealth assets not previously mentioned	6	2	7	2
Unable to be determined	0	0	0	0
Employee entitlements				
Expenses (other than travel)	1	1	1	1
Travel entitlements	13	6	0	0
Payroll	2	2	2	2

Table A21: Fraud targets for internal frauds investigated in 2015–16 and 2016–17 (N)				
Targets	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Leave and related entitlements	42	11	30	7
Position entitlements	5	4	11	4
Other entitlements	25	4	17	1
Unable to be determined	0	0	0	0
Benefits				
A general employment benefit (eg using employment to obtain a benefit, or a benefit obtained through misuse)	6	4	18	5
Commonwealth housing benefits	0	0	0	0
Commonwealth social security benefits	32	1	60	1
Commonwealth health benefits	3	1	1	1
Commonwealth passports, visas or citizenship	2	1	21	1
Commonwealth child support benefits	0	0	1	1
Commonwealth licences	0	0	0	0
Other Commonwealth benefits	1	1	0	0
Unable to be determined	0	0	0	0
Information				
Personal information	404	5	414	3
Entity logo or name	0	0	2	2
Entity intellectual property	2	2	3	2
Other entity information (not personal)	28	4	28	4
Other information	0	0	5	2
Unable to be determined	0	0	0	0
Internal financial fraud				
Cash/Currency	16	4	56	5
Payment cards (eg credit cards)	14	4	31	6

Table A21: Fraud targets for internal frauds investigated in 2015–16 and 2016–17 (N)				
Targets	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Non-cash disbursement	0	0	0	0
Financial statements	1	1	1	1
Procurement payments	7	6	3	3
Financial transactions	1	1	0	0
Other internal financial fraud	6	3	5	1
Unable to be determined	2	1	1	1
Other fraud				
Other details of fraud	2	2	1,000	6

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

External fraud targets

Respondents were also asked to indicate how many alleged investigations that involved external fraud were focused on each of a number of specified resources, objects of benefit or targets of the alleged activity. Four main categories were provided: government equipment, entitlements, information and financial benefits. Multiple responses were also applicable. Table A22 shows the number of external fraud investigations by target and the number of entities conducting those investigations for 2015–16 and 2016–17.

Table A22: Fraud targets for external frauds investigated in 2015–16 and 2016–17 (N)				
Targets	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Equipment				
Commonwealth office equipment (other than ICT)	2	1	11	1
Commonwealth ICT equipment	25	1	15	1
Commonwealth resources (other than vehicles)	113	3	109	4
Commonwealth vehicles	7	1	1	1
Other Commonwealth assets not previously mentioned	0	0	6	2
Unable to be determined	0	0	0	0

Table A22: Fraud targets for external frauds investigated in 2015–16 and 2016–17 (N)				
Targets	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Benefits				
A general employment benefit (eg using employment to obtain a benefit, or a benefit obtained through misuse)	7	1	0	0
Commonwealth housing benefits	0	0	0	0
Commonwealth social security benefits	1,192	2	2,491	1
Commonwealth health benefits	180	3	514	3
Commonwealth passports, visas or citizenship	66	2	85	2
Commonwealth child support benefits	21	1	4	1
Commonwealth licences	0	0	2	1
Other Commonwealth benefits	10	4	10	2
Unable to be determined	3	1	0	0
Information				
Personal information	6	3	4	2
Entity logo or name	2	2	0	0
Entity intellectual property	0	0	0	0
Other entity information (not personal)	1	1	0	0
Other information	1	1	0	0
Unable to be determined	0	0	0	0
External financial fraud				
Taxation	57	1	56	2
Customs and/or excise	64	2	7	2
Commonwealth invoices	2	2	1	1
Commonwealth contracts	9	2	2	1
Commonwealth grants	58	3	9	4
Commonwealth programs	6	3	225	3
Other external financial fraud	34	7	342,042	8
Unable to be determined	0	0	0	0

Table A22: Fraud targets for external frauds investigated in 2015–16 and 2016–17 (N)				
Targets	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Other fraud				
Other details of fraud	2	2	273	3

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Fraud methods

Respondents were asked to indicate how many investigations into internal fraud were carried out using various methods, such as misuse of ICT, identity, information or acts of corruption. As fraud could involve more than one method of commission, respondents were asked to include multiple responses where applicable. Information was collected both on the number of entities that experienced fraud and on the number of internal fraud investigations finalised for 2015–16 and 2016–17 (Table A23).

Table A23: Fraud methods for finalised internal frauds investigated in 2015–16 and 2016–17 (N)				
Method	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Misuse of Information and Communications Technologies (ICT)				
Accessing information or programs via a computer without authorisation	388	3	423	2
Copying or altering data or programs without authorisation	11	3	2	2
Misuse of email	21	3	23	2
Manipulation of a computerised accounting system	0	0	3	2
Insertion of malicious code	0	0	0	0
External cyber-attack (attempted or successful) (eg DOS or DDOS attack)	NA	NA	0	0
Other misuse of ICT	5	3	31	4
Unable to be determined	0	0	0	0
Asset misappropriation				
Unauthorised use of cash	6	2	28	3
Unauthorised use of non-cash assets	6	4	906	3

Table A23: Fraud methods for finalised internal frauds investigated in 2015–16 and 2016–17 (N)				
Method	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Unauthorised use of payment cards (eg credit cards)	12	4	27	5
Dishonesty relating to payroll schemes (ie falsified wages or ghost employees)	1	1	3	2
Refund fraud	1	1	0	0
Dishonesty relating to written-off assets	0	0	1	1
Invoicing fraud (eg altered payee, fictitious expenses)	1	1	1	1
Theft of assets (non-ICT)	6	2	5	2
Theft of ICT (computers, laptops, mobile phones, tablets, etc.)	0	0	3	2
Other misuse of assets	8	6	5	1
Unable to be determined	0	0	20	1
Misuse of personal information				
Creating and/or using a fictitious identity	3	2	0	0
Use of another employee’s or contractor’s personal information without their knowledge	1	1	1	1
Unauthorised use of another person’s password, PIN or access pass	0	0	0	0
Unauthorised use of another person’s Tax file number	0	0	1	1
Unauthorised use of another person’s Australian business number or Australian company number	0	0	0	0
Deliberately disclosing sensitive information (in any form) for benefit	0	0	0	0
Failure to use or omission of information	31	1	21	4
Other misuse of personal information	6	3	7	2
Unable to be determined	0	0	0	0

Table A23: Fraud methods for finalised internal frauds investigated in 2015–16 and 2016–17 (N)				
Method	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Misuse of documents				
Falsification of internal entity documents	28	2	37	5
Falsification of external documents (not belonging to your entity)	16	6	12	6
Dishonestly concealing documents	0	0	0	0
Failing to provide documents when required to do so	8	1	5	2
Misuse of entity credentials	0	0	0	0
Misuse of office documents	5	4	3	3
Other misuse of documents	4	3	7	3
Unable to be determined	0	0	25	1
Other methods				
Other method	20	8	148	6

Note: NA indicates a question not included in that year's census
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Respondents were also asked to provide similar information concerning methods used to commit external fraud (Table A24).

Table A24: Fraud methods for finalised external frauds investigated in 2015–16 and 2016–17 (N)				
Method	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Misuse of Information and Communications Technologies (ICT)				
Accessing information or programs via a computer without authorisation	2	2	5	3
Copying or altering data or programs without authorisation	1	1	0	0
Misuse of email	2	1	1	1
Manipulation of a computerised accounting system	0	0	0	0
Insertion of malicious code	0	0	0	0

Table A24: Fraud methods for finalised external frauds investigated in 2015–16 and 2016–17 (N)				
Method	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
External cyber-attack (attempted or successful) (eg DOS or DDOS attack)	NA	NA	0	0
Other misuse of ICT	0	0	0	0
Unable to be determined	0	0	0	0
Asset misappropriation				
Unauthorised use of cash	43	2	35	1
Unauthorised use of non-cash assets	7	2	1	1
Unauthorised use of payment cards (eg credit cards)	37	8	341,994	7
Dishonesty relating to payroll schemes (ie falsified wages or ghost employees)	5	2	3	1
Refund fraud	4	2	0	0
Dishonesty relating to written-off assets	0	0	0	0
Invoicing fraud (eg altered payee, fictitious expenses)	13	2	8	1
Theft of assets (non-ICT)	22	3	14	2
Theft of ICT (computers, laptops, mobile phones, tablets, etc.)	21	1	15	1
Other misuse of assets	1	1	2	1
Unable to be determined	3	1	0	0
Misuse of personal information				
Creating and/or using a fictitious identity	12	4	2	1
Use of another employee’s or contractor’s personal information without their knowledge	1	1	0	0
Unauthorised use of another person’s password, PIN or access pass	1	1	0	0
Unauthorised use of another person’s Tax file number	0	0	0	0

Table A24: Fraud methods for finalised external frauds investigated in 2015–16 and 2016–17 (N)				
Method	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Unauthorised use of another person's Australian business number or Australian company number	0	0	0	0
Deliberately disclosing sensitive information (in any form) for benefit	0	0	0	0
Failure to use or omission of information	10	3	3	1
Other misuse of personal information	14	3	25	1
Unable to be determined	16	1	137	1
Misuse of documents				
Falsification of internal entity documents	148	7	133	7
Falsification of external documents (not belonging to your entity)	289	11	226	8
Dishonestly concealing documents	5	1	0	0
Failing to provide documents when required to do so	12	3	4	1
Misuse of entity credentials	19	2	3	1
Misuse of office documents	10	1	0	0
Other misuse of office documents	51	4	8	2
Unable to be determined	0	0	175	1
Other methods				
Other method	1,224	7	2,919	9

Note: NA indicates a question not included in that year's census
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Collusion and corruption

Respondents were asked to provide details of finalised investigations that involved corruption. Details of corruption investigations involving specific types of corruption are provided with the assistance of ACLEI and presented in Table A25.

Table A25: Corruption in frauds investigated in 2015–16 and 2016–17, number of entities and investigations (N)				
Type of corruption	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Bias or dishonesty in the exercise of official functions	76	5	36	4
Accepting bribes to influence a process of government action	1	1	6	1
Accepting kickbacks or gratuities in exchange for exercising influence on a process or government decision	2	2	3	2
Nepotism	3	3	1	1
Acting to influence regulatory outcomes or government decisions to benefit self or another party	0	0	2	1
Exercising discretions to benefit self or another party	28	5	11	2
Failure to disclose a relevant conflict of interest in the exercise of official functions	9	5	22	4
Other forms of abuse of official power or position	12	5	5	4
Conduct intended to pervert the course of justice	1	1	0	0
Other corruption	2	1	12	3
Unable to be determined	19	2	2,942 ^a	3
No corruption involved ^b	2,178	17	1,223	17

a: There was a large increase in the number of investigations that were classified as corruption ‘unable to be determined’ as one entity was unsure if any or all of its investigations involved corruption, so all were included in this category

b: Some respondents did not provide a response to this question, therefore the number of investigations does not match the total number of investigations finalised for each year

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Further questions were asked about investigations in which collusion was found to have occurred. For the purposes of the questionnaire, corruption and collusion were treated separately, although both may occur in any one investigation. Details of investigations involving specific types of collusion are provided with the assistance of ACLEI and presented in Table A26.

Table A26: Collusion in frauds investigated in 2015–16 and 2016–17, number of entities and investigations (N)				
Type of collusion	2015–16		2016–17	
	Number of investigations	Number of entities	Number of investigations	Number of entities
Entity employee or contractor supplying information to an external party without authorisation for the purposes of committing fraud	3	3	15	2
Entity employee or contractor allowing an external party unauthorised access to entity premises without authorisation for the purpose of committing fraud	0	0	0	0
Entity employee or contractor conspiring in other ways with an external party for the purposes of committing fraud	3	3	10	2
Entity employee or contractor conspiring with another internal party for the purposes of committing fraud	13	4	1	1
Entity employee or contractor consorting with a criminal for the purposes of committing fraud	NA	NA	0	0
Other collusion	5	3	2	2
Unable to be determined	57	3	2,938	2
No collusion was involved	2,195	21	1,262	18

Note: NA indicates a question not included in that year's census
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Cost of fraud

Dollar losses

Respondents were asked to provide the dollar value of losses experienced due to internal fraud, and the number of related investigations (see Table A27).

Table A27: Dollar value and number of related internal fraud investigations in 2015–16 and 2016–17 by loss type

Loss type	2015–16		2016–17	
	Dollar losses (\$)	Number of investigations	Dollar losses (\$)	Number of investigations
Total amount that all suspects/offenders dishonestly attempted to obtain from the Commonwealth	787,668	202	47,520 (7 entities quantified)	63
Total amount that all suspects/offenders were found to have dishonestly obtained from the Commonwealth	907,657	130	1,860,103 (8 entities quantified)	1,112
Other non-financial impact	eg stolen iPhones; unauthorised external employment	4	eg reputational damage; personnel time in resolving investigation	104

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Table A28 presents the dollar value and number of investigations involving external fraud for 2015–16 and 2016–17.

Table A28: Dollar value and number of investigations of external frauds investigated in 2015–16 and 2016–17, by loss type				
Loss type	2015–16		2016–17	
	Dollar losses (\$)	Number of investigations	Dollar losses (\$)	Number of investigations
Total amount that all suspects/offenders dishonestly attempted to obtain from the Commonwealth	60,291,899	204	62,288,677 (13 entities quantified)	495
Total amount that all suspects/offenders were found to have dishonestly obtained from the Commonwealth	24,757,522	1,573	94,920,748 (15 entities quantified)	345,036
Other non-financial impact (eg reputation)	–	4	Data breach which affected external users of the website	

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Recoveries

Respondents were also asked to indicate the whole dollar amounts that had been recovered using various methods. This excluded money that was recovered by the Commonwealth that had not been returned to the entity in question, such as fines or the proceeds of confiscation orders that remained in consolidated revenue. The amounts recovered did not necessarily relate to the value of the fraud detected in the same year, as recovery of funds could have related to fraud committed or detected in previous financial years. Table A29 presents the amounts recovered in 2015–16 and 2016–17 for both internal and external fraud investigations.

Table A29: Amounts recovered in finalised internal and external fraud investigations, 2015–16 and 2016–17, by type of recovery

Type of recovery	2015–16		2016–17	
	Amount recovered from internal fraud investigations \$ (N)	Amount recovered from external fraud investigations \$ (N)	Amount recovered from internal fraud investigations \$ (N)	Amount recovered from external fraud investigations \$ (N)
Amounts recovered through criminal court proceedings	96,572 (2)	89,357 (2)	177,227 (1)	101,000 (4)
Amounts recovered through civil court action	0	22,430 (1)	0	6,380 (1)
Amounts recovered through administrative action	200,429 (6)	24,019 (3)	562,273 (5)	954,214 (5)
Amounts recovered through reimbursement from a financial institution	0	59,519 (5)	0	13,286 (3)
Amounts recovered through insurance payments	0	103,827 (2)	0	0
Amounts recovered through other means of recovery	41,392 (4)	884,317 (2)	28,271 (1)	3,355,824 (6)
Total amount recovered in any way during 2015–16 or 2016–17	338,393 (9)	1,413,935 (12)	767,771 (5)	4,430,731 (16)

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Investigations into most costly internal and external frauds

Prior research has found that fraud offences often share common characteristics, as do fraud offenders (Padgett 2015; Smith 2015). In order to examine these aspects, respondents were asked about the most costly internal fraud and the most costly external fraud in matters where the investigations had been finalised and where fraud was substantiated either in full or in part in 2016–17. The most costly fraud could relate to financial losses or it could represent the fraud which caused the largest non-pecuniary harm, such as reputational damage or resources required for restoration or repair. Respondents had to choose the one most costly matter involving internal fraud and the one most costly matter involving external fraud finalised in 2016–17, irrespective of when the fraud was committed or when the investigation commenced. If the investigation involved more than one accused person, responses were to be provided with respect to the principal suspect only.

Investigations into most costly internal frauds

Detection

Respondents were asked to provide details about how the most costly frauds (both for internal and external investigations) had been detected. Table A30 provides details on all detection methods used to detect the most costly internal frauds investigated in 2015–16 and 2016–17.

Table A30: Principal way in which the most costly internal frauds investigated in 2015–16 and 2016–17 were detected (N)

Detection type	2015–16	2016–17
Tip-off within entity	9	5
Tip-off external to entity	2	2
Staff member detected	NA	9
Internal management review	7	1
Internal audit	2	1
Data analytics	0	2
Accidental detection	0	0
Account reconciliation	1	0
Document examination	0	0
External audit	0	0
Law enforcement notification to entity	0	0
Reporting by financial institution	0	1
Information technology controls	0	1
Self-reporting/confession	1	0
Not recorded/other	0	1 ^a
Unknown	2	0

a: In one investigation, a 'recruitment agency control process' was recorded as the principal manner of detection

Note: NA indicates a question not included in that year's census

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Investigators

Table A31 provides details of how many of the most costly internal frauds were investigated internally by the entity and how many were referred elsewhere.

Principal method of fraud investigation	2015–16	2016–17
Internal entity investigation only	19	19
External consultant investigator	2	2
AFP	3	0
State or territory police	0	1
Financial institution	0	0
ACLEI	0	0
Other	0	1

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Fraud targets

Respondents were asked to indicate the principal target of the most costly fraud in terms of the resource, object of benefit targeted by the perpetrator. Table A32 presents these findings for the most costly internal frauds for 2015–16 and 2016–17.

Target	2015–16	2016–17
Equipment		
Commonwealth office equipment (other than ICT)	0	1
Commonwealth ICT equipment	0	1
Commonwealth resources (other than vehicles)	1	3
Commonwealth vehicles	0	0
Commonwealth assets not previously mentioned	0	0
Unable to be determined	0	1
Employee entitlements/benefits		
Expenses (other than travel)	1	1
Travel entitlements	2	1
Payroll	0	1
Leave and related entitlements	5	2
Position entitlement	0	2
General employment benefits	2	0

Table A32: Target of most costly internal frauds investigated in 2015–16 and 2016–17 (N)		
Target	2015–16	2016–17
Other entitlements	2	1
Unable to be determined	0	0
Information		
Personal information	0	1
Entity logo or name	0	1
Entity intellectual property	1	0
Other entity information (not personal)	0	0
Other information	0	0
Unable to be determined	0	0
Internal financial fraud		
Cash/currency	3	2
Payment cards (eg credit cards)	1	4
Non-cash disbursements	1	0
Financial statements	0	0
Procurement payments	3	3
Financial transactions	0	0
Other internal financial fraud	1	0
Unable to be determined	0	0
Other fraud targets		
Fraud involving other targets	1	3 ^a

a: Examples included in the 2016–17 census for ‘other’ fraud targets included ‘Commonwealth Social Security Benefits’, ‘employment using false information’ and ‘voting on behalf of another person’
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Fraud method

Table A33 provides details of the principal method by which the fraud was committed, for the most costly internal frauds investigated in 2015–16 and 2016–17.

Table A33: Methods used to commit the most costly internal frauds investigated in 2015–16 and 2016–17 (N)		
Method	2015–16	2016–17
Misuse of information and communications technologies		
Accessing information or programs via a computer without authorisation	0	1
Copying or altering data without authorisation	0	0
Misuse of email	0	0
Manipulation of a computerised accounting system	0	0
Insertion of malicious code	0	0
Other misuse of ICT ^a	0	2
Unable to be determined	0	0
Asset misappropriation		
Unauthorised use of cash	2	0
Unauthorised use of non-cash assets	1	1
Unauthorised use of payment cards (eg credit cards and fuel cards)	1	3
Dishonesty relating to payroll schemes (ie falsified wages or ghost employees)	0	1
Refund fraud	1	0
Dishonesty relating to written-off assets	0	0
Invoicing fraud (eg altered payee, fictitious expenses)	2	1
Theft of assets (non-ICT)	0	2
Theft of ICT (computers, laptops, mobile phones, tablets etc)	0	0
Other misuse of assets	4	0
Unable to be determined	0	0
Misuse of personal information		
Creating and/or using a fictitious identity	2	0
Use of another employee’s or contractor’s personal information without their permission	0	0
Fraudulently using another person’s personal information with their permission	0	1
Unauthorised use of another person’s password, PIN or access pass	0	0

Table A33: Methods used to commit the most costly internal frauds investigated in 2015–16 and 2016–17 (N)

Method	2015–16	2016–17
Unauthorised use of another person’s Tax file number	0	0
Unauthorised use of another person’s Australian business number or Australian company number	0	0
Deliberately disclosing sensitive information (in any form) for benefit	0	0
Failure to use or omission of information	1	2
Other misuse of personal information	1	0
Unable to be determined	0	0
Misuse of documents		
Creating and/or using a false or altered entity document	1	2
Creating and/or using a false or altered documents (not belonging to your entity)	4	3
Dishonestly concealing documents	0	0
Failing to provide documents when required to do so	1	0
Misuse of entity credentials	0	0
Misuse of office documents	1	0
Other misuse of documents ^b	1	1
Unable to be determined	0	0
Other methods of committing fraud		
Fraud involving other methods ^c	2	3

a: Other misuse of ICT included ‘accessing inappropriate material’ and ‘misuse of record management system access’

b: Other types of misuse of documents included ‘incorrect timesheets submitted’

c: Examples of ‘other’ methods provided include: ‘award contract to a former employer’, ‘failed to declare they were a member of a couple’ and ‘procurement’

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Impact and recoveries

Respondents were asked to provide details of the dollar value of losses experienced due to the most costly internal fraud (see Table A34). Details of precise questions asked are set out in the questionnaire on page 95.

Table A34: Dollar value of the most costly internal frauds investigated in 2015–16 and 2016–17				
	2015–16		2016–17	
	Dollar losses (\$)	Number of entities quantifying loss	Dollar losses (\$)	Number of entities quantifying loss
Total amount that offender attempted to defraud	501,807	12	83,751	6
Total amount offender was found to have dishonestly obtained from the Commonwealth	613,406	17	196,555	9
Number of entities that experienced non-financial impacts	–	–5	–	8

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Age of suspect

Table A35 provides details of the age category to which the suspect belonged at the time the fraud was detected, if known, for the most costly internal fraud investigated in 2015–16 and 2016–17.

Table A35: Age of suspects in the most costly internal frauds investigated in 2015–16 and 2016–17 (N)		
Age	2015–16	2016–17
17 years and under	0	0
18–24 years	0	2
25–34 years	6	5
35–44 years	9	6
45–54 years	5	4
55–64 years	2	1
65 and over	0	0
Unknown	2	4

Note: One respondent did not provide an answer to this question in 2016–17
 Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Gender

Table A36 provides details of the gender of the suspects, if known, for the most costly internal fraud investigated in 2015–16 and 2016–17.

Table A36: Gender of suspect in the most costly internal frauds investigated in 2015–16 and 2016–17 (N)		
Gender	2015–16	2016–17
Female	10	10
Male	13	10
Indeterminate/intersex/unspecified	0	0
Unknown	1	3

Source: Commonwealth Fraud Census 2015–16 and 2016–17 [AIC data file]

Suspect's residence

Table A37 provides details of the state, territory or overseas location at which the suspect resided at the time the fraud was detected, if known, for the most costly internal fraud investigated in 2015–16 and 2016–17.

Table A37: Geographical location at which suspects resided when the most costly internal frauds investigated in 2015–16 and 2016–17 were detected (N)		
Jurisdiction	2015–16	2016–17
New South Wales	11	8
Victoria	1	4
Queensland	0	2
Western Australia	0	0
South Australia	2	0
Tasmania	1	0
Australian Capital Territory	6	4
Northern Territory	1	0
Overseas ^a	1	2
Unknown	1	3

a: In 2015–16 one suspect resided in the United Kingdom; in 2016–17 one suspect resided in China and another in Timor-Leste
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Education

Table A38 provides details of the highest educational level that the suspect in the most costly internal fraud had attained, if known, for investigations in 2015–16 and 2016–17.

Table A38: Highest educational level attained by suspect in the most costly internal frauds investigated in 2015–16 and 2016–17 (N)		
Educational level	Number of investigations	Number of entities
Postgraduate degree	2	1
Graduate Diploma and/or Graduate Certificate	1	0
Bachelor Degree	4	0
Advanced Diploma and Diploma	1	0
Certificate III and IV	2	0
Year 12	0	2
Year 11 or below (including Certificates below III)	0	1
Other	0	0
Unknown	14	19

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Employment

Table A39 provides details of the employment level at which the suspect in the most costly internal fraud was employed at the time the fraud was detected for investigations finalised in 2015–16 and 2016–17.

Table A39: Employment level of suspect at the time the most costly internal frauds investigated in 2015–16 and 2016–17 were detected (N)		
Employment level	Number of investigations	Number of entities
Senior Executive Service Level (SES)	0	0
Executive Level (EL 1 and 2)	2	4
APS 5 and 6 levels	4	1
APS 1 to 4 levels	9	9
Not applicable	0	3
Other ^a	5	3
Unknown	4	3

a: Examples of the 'other' category include levels specific to the non-APS entities

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Motivation

Table A40 provides details of the principal motivation or other reason given for the commission of the most costly internal fraud for investigations finalised in 2015–16 and 2016–17.

Table A40: Principal motivation or other reason given for why the fraud was committed, for the most costly internal frauds investigated in 2015–16 and 2016–17 (N)		
Motivation	2015–16	2016–17
Greed or desire for financial gain	4	3
Professional financial problems	0	1
Personal and family financial problems	1	2
Gambling-related	3	0
Pleasing others or due to the influence of others	1	1
Addiction to alcohol or drugs	0	0
Psychiatric illness or mental disorders	0	0
Professional development	1	0
Dissatisfaction with entity, desire for revenge against entity	0	1
Other	1	1
Unknown	13	13

Note: In 2016–17 one respondent failed to provide a response to the question about motivations for committing fraud
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Fraud control and behavioural factors

Respondents were asked if there were any behavioural changes or personality changes identified in suspects which may have indicated they were at risk of committing fraud. Table A41 presents the behavioural factors observed in the most costly internal frauds for 2015–16 and 2016–17.

Table A41: Behavioural factors observed in the most costly internal frauds investigated in 2015–16 and 2016–17 (N)		
Fraud ‘red flag’ behaviour observed	2015–16	2016–17
Living beyond means	2	1
Personal financial difficulties	2	1
Refusal to work with others	0	0
Refusal to follow procedures and policies	5	1
Lack of social engagement with colleagues	1	0
Refusal to use leave	0	0
Unauthorised access to information	0	0
Change in behaviour (ie easily irritated, overly defensive or suspicious of others)	1	1
Complaints about entity’s administration, pay or management	3	1
Addictions	0	1
No such behaviour observed	8	9
Other ^a	1	2
Unknown	5	9

a: Examples of ‘other’ category include: ‘refusal to acknowledge injuries’ and ‘staying later than other staff members’
 Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Table A42 provides details of the principal fraud control weakness thought to have contributed to the most costly internal fraud occurring in 2015–16 and 2016–17.

Table A42: Principal fraud control weakness believed to have contributed to the most costly internal frauds investigated in 2015–16 and 2016–17 (N)		
Fraud control weakness	2015–16	2016–17
Lack of internal controls	5	2
Poor internal culture	3	2
Lack of reporting mechanisms	0	0
Lack of employee fraud knowledge	2	1
Lack of reviews/checks or audits	3	6
Insufficient separation and/or segregation of duties by employees	1	1
Overriding existing internal controls	4	3
Other ^a	2	2
Not applicable	NA	2
Unknown	4	4

a: Examples of 'other' category include 'inappropriate spending on corporate credit card' and 'generic ICT logons concealed individual behaviour'

Note: NA indicates a question not included in that year's census

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Results of the most costly internal fraud investigation

Respondents were asked to provide all the results for the most costly internal fraud investigation. Further details such as sanctions imposed or details of the ‘other’ results are explained below. Table A43 provides details of the results of the investigations into the most costly internal frauds for 2015–16 and 2016–17.

Table A43: Results of investigations into the most costly internal frauds investigated in 2015–16 and 2016–17 (N)

Outcomes	2015–16	2016–17
No further action taken	0	7
Final result pending ^a	3	2
Termination of employment or contract by dismissal	8	6
Resignation of employee	9	5
Administrative sanctions (eg APS Code of Conduct) ^b	5	5
Civil court determination	0	0
Criminal court sentence following conviction ^c	2	1
Criminal court sentence if not convicted	0	1
Suspect declared bankrupt	0	0
Other ^d	7	5

a: In one matter, the result was pending as it had been referred to the Office of the Commonwealth Director of Public Prosecutions

b: Administrative sanctions included two matters which resulted in Code of Conduct sanctions being imposed, one which resulted in the suspect’s classification being reduced, and another in which a reprimand and a fine had been imposed on the suspect. In another matter, an unknown sanction had been imposed

c: Criminal court sentences included one matter in which a seven-month sentence of imprisonment had been imposed, with immediate release on a good behaviour bond for 18 months; and another matter in which a two-year good behaviour bond had been imposed but was discharged without any conviction being recorded

d: Other sanctions included no further action in one matter where fraud had occurred but no suspect could be identified and in another matter in which a default notice had been issued as the suspect had repaid the money taken. In another investigation, the contractor involved was formally reprimanded by the contractor’s company, while another investigation involved the suspect being dealt with through the financial delegations of the entity (the fraud involved theft of petty cash which had been written off) and tighter controls implemented for accessing petty cash

Note: Investigations may have more than one outcome

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Investigations into most costly external frauds

The Commonwealth fraud census findings are markedly different from other industry and public sector surveys of fraud. While most fraud surveys find that the primary perpetrators of fraud against companies are those employed by the company, in fraud against the Commonwealth the majority of perpetrators are external to the Commonwealth entities. Accordingly, the AIC census now examines the most costly external fraud as well as the most costly internal fraud investigated each year to provide information on the types of methods and the characteristics of suspects involved in these costly frauds. As with internal fraud, the most costly external fraud could involve financial losses or it could represent the fraud which caused the largest non-pecuniary harm, such as reputational damage or resources required for restoration or repair.

Detection

Respondents were asked to provide details of how the most costly external fraud had been detected. Table A44 provides details of all detection methods used to detect the most costly external fraud investigated in 2015–16 and 2016–17.

Table A44: Principal way in which the most costly external frauds investigated in 2015–16 and 2016–17 were detected (N)		
Detection type	2015–16	2016–17
Tip-off within entity	3	1
Tip-off external to entity	8	7
Staff member detected	0	10
Internal management review	0	0
Internal audit	0	0
Data analytics	5	2
Accidental detection	1	1
Account reconciliation	5	0
Document examination	1	2
External audit	0	0
Law enforcement notification to entity	0	3
Reporting by financial institution	3	0
Information technology controls	0	1
Self-reporting/confession	0	0
Other ^a	2	1
Not recorded/unknown	1	0

a: In one investigation, 'compliance audit of third party' was recorded as the principal manner of detection
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Investigation

Table A45 provides details of how many of the most costly external frauds were investigated internally by the entity and how many were referred elsewhere.

Investigation method	2015–16	2016–17
Investigation by entity only (including Shared Service Centre investigation)	17	19
Investigation by external consultant investigator	0	0
Investigation by the AFP	2	1
Investigation by state or territory police	1	3
Investigation by financial institution	4	2
Investigation by ACLEI	1	0
Other method of investigation	4 ^a	3 ^b

a: The other investigation methods for 2015–16 were: internal entity investigation followed by an external investigation by a financial institution (credit card provider); internal entity investigation followed by an investigation by the AFP and an overseas police agency and referral to the CDPP; internal investigation in conjunction with Cabcharge; and investigation and reporting by the Administering Institution

b: The other investigation methods for 2016–17 included: credit card provider; internal investigation and then financial institution investigation; and National Customs Broker Licensing Advisory Committee

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Fraud targets

Respondents were asked to indicate the principal target of the most costly fraud in terms of the resource or object of benefit targeted by the perpetrator. Table A46 presents these findings for the most costly external fraud for 2015–16 to 2016–17.

Target	2015–16	2016–17
Equipment		
Commonwealth office equipment (other than ICT)	0	0
Commonwealth ICT equipment	0	0
Commonwealth resources (other than vehicles)	2	3
Other Commonwealth assets	0	0
Unable to be determined	0	0
Benefits		
Commonwealth housing benefits	0	2
Commonwealth social security benefits	2	0
Commonwealth health benefits	1	0
Commonwealth passports, visas or citizenship	0	0

Table A46: Target of the most costly internal frauds investigated in 2015–16 and 2016–17 (N)		
Target	2015–16	2016–17
Commonwealth child support benefits	0	0
Commonwealth licences	0	1
Other dishonesty related to Commonwealth benefits	2	3
Unable to be determined	0	1
Information		
Personal information	0	1
Entity logo or name	0	0
Entity intellectual property	0	0
Other entity information (not personal)	0	0
Other information (not previously mentioned)	1	0
Unable to be determined	0	0
External financial fraud		
Taxation	1	1
Customs and/or excise	0	1
Commonwealth invoices	0	1
Payment cards (eg credit cards and fuel cards)	4	5
Commonwealth grants	4	3
Commonwealth programs	2	2
Other financial benefits	3	1
Unable to be determined	0	1
Other^a		
Fraud involving other targets	4	5

a: Examples of other fraud targets include: attempt to control federal political party; environmental crime (taking of a natural resource); improper creation of STCs; postage evasion; and theft

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Fraud method

Table A47 provides details of the principal methods by which the fraud had been committed, for the most costly external fraud investigated in 2015–16 and 2016–17.

Table A47: Method used to commit the most costly external frauds investigated in 2015–16 and 2016–17 (N)		
Method	2015–16	2016–17
Misuse of information and communications technologies		
Accessing information or programs via a computer without authorisation	0	1
Copying or altering data or programs without authorisation	0	0
Misuse of email	0	0
Manipulation of a computerised accounting system	0	0
Insertion of malicious code	0	0
Other misuse of ICT	0	0
Unable to be determined	0	0
Asset misappropriation		
Unauthorised use of cash	0	0
Unauthorised use of non-cash assets	0	0
Unauthorised use of payment cards (eg credit cards and fuel cards)	6	5
Dishonestly relating to payroll schemes (ie falsified wages or ghost employees)	0	0
Refund fraud	0	0
Dishonest relating to written-off assets	0	0
Invoicing fraud (eg altered payee, fictitious expenses)	0	0
Theft of assets (non-ICT)	0	1
Theft of ICT (computers, laptops, mobile phones, tablets etc.)	0	0
Other misuse of assets	1	0
Unable to be determined	0	0
Misuse of personal information		
Creating and/or using a fictitious identity	2	1
Unauthorised use of another person’s password, PIN or access pass	0	0
Unauthorised use of another person’s tax file number	0	0
Unauthorised use of another person’s Australian business number or Australian company number	0	0
Failure to use or omission of information	3	2

Table A47: Method used to commit the most costly external frauds investigated in 2015–16 and 2016–17 (N)		
Method	2015–16	2016–17
Other misuse of personal information	1	0
Unable to be determined	0	0
Misuse of documents		
Creating and/or using a false or altered entity document	3	4
Creating and/or using a false or altered document (not belonging to your entity)	9	6
Dishonestly concealing documents	0	0
Failing to provide documents when required to do so	0	0
Misuse of entity credentials	0	0
Other misuse of documents	1	1
Unable to be determined	0	0
Other methods		
External fraud involving other methods ^a	5	8

a: Examples of other methods used to commit the most costly external fraud include: accessing no-fishing area of the Marine Park to fish; misuse of Commonwealth grants funds for purposes not authorised by Funding Agreement; official AEC document used to perpetuate identity theft (not category of fictitious identity, or with permission); misuse of tariff concession order/misclassification of goods; misrepresentation of product purporting to comply with approvals; unauthorised bank transfers; and false declaration
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Impact and recoveries

Respondents were asked to provide details of the dollar value of losses experienced due to the most costly external fraud (see Table A48). Details of precise questions asked are set out in the questionnaire on page 109.

Table A48: Dollar value of the most costly external frauds investigated in 2015–16 and 2016–17		
Impact	2015–16	2016–17
Total amount that offender attempted to defraud (\$)	28,843,467	50,507,634
Total amount offender was found to have dishonestly obtained from the Commonwealth (\$)	2,042,102	2,757,356
Number of entities that experienced non-financial impacts (N)	5	7

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Respondents were able to specify other non-financial impacts. Examples of non-financial impacts experienced by entities in 2016–17 in relation to most costly external frauds included:

- cancellation of bank guarantees and Cabcharge vouchers;
- environmental harm;
- control of federal political party;
- time to inform users and reputation impact of a data breach;
- significant use of departmental resources (program area and Legal Services Branch), approximately 200 people hours;
- reputational damage; and
- lack of confidence in entity.

Respondents were also asked to indicate the whole dollar amounts that had been recovered using various methods. This excluded money that was recovered by the Commonwealth that had not been returned to the entity in question, such as fines or the proceeds of confiscation orders that remained in consolidated revenue. The amounts recovered did not necessarily relate to the value of the fraud detected in the same year, as recovery of funds may have related to frauds committed or detected in previous financial years. Table A49 provides details of the monies recovered and the method of recovery from the most costly external frauds investigated in 2015–16 and 2016–17.

Table A49: Amounts recovered and methods of recovery from the most costly external frauds investigated in 2015–16 and 2016–17 (\$)		
Type of recovery	2015–16	2016–17
Equipment		
Amounts recovered through criminal court proceedings	109,100	414,900
Amounts recovered through civil court action	0	8,000
Amounts recovered through administrative action	16,000	15,900
Amounts recovered through reimbursement from a financial institution	175,141	16,913
Amounts recovered through insurance payments	0	0
Amounts recovered through other means of recovery	11,800	87,090
Total amount recovered in any way	312,041	542,803

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

In 2016–17, five respondents indicated that while no monies had been recovered from suspects at the time of the census, they expected recoveries in the future. Fourteen respondents indicated that the entity did not experience financial losses and that therefore there were no monies to be recovered. One respondent indicated that although it incurred financial losses, no monies were expected to be recovered.

Age of suspect

Table A50 provides details of the age category to which the suspect belonged at the time the fraud was detected, if known, for the most costly external fraud investigated in 2015–16 and 2016–17.

Table A50: Age of suspect in the most costly external frauds investigated in 2015–16 and 2016–17 (N)		
Age of suspect	2015–16	2016–17
17 years and under	0	0
18–24 years	0	0
25–34 years	4	2
35–44 years	3	3
45–54 years	5	4
55–64 years	3	6
65 years or over	1	1
Unknown	13	12

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Gender

Table A51 provides details of the gender of the suspects, if known, for the most costly external fraud investigated in 2015–16 and 2016–17.

Table A51: Gender of suspect in the most costly external frauds investigated in 2015–16 and 2016–17 (N)		
Gender	2015–16	2016–17
Female	4	5
Male	14	15
Indeterminate/intersex/unspecified	0	0
Unknown	11	8

Note: In 2015–16, one entity finalised an external fraud investigation but failed to answer any of the questions

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Suspect’s residence

Table A52 provides details of the state, territory or overseas location at which the suspect resided at the time the fraud was detected, if known, for the most costly internal frauds investigated in 2015–16 and 2016–17.

Table A52: Geographical location at which suspects resided when the most costly external frauds investigated in 2015–16 and 2016–17 were detected (N)		
Jurisdiction	2015–16	2016–17
New South Wales	5	3
Victoria	5	9
Queensland	2	3
Western Australia	2	1
South Australia	1	0
Tasmania	0	0
Australian Capital Territory	1	1
Northern Territory	0	2
Overseas	6	3
Unknown	7	6

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Examples of overseas countries were: United States, Nigeria, United Kingdom, Dubai, Cambodia, and Hong Kong. One respondent indicated that a precise jurisdiction was unknown but that the suspects were illegal fishers from overseas.

Education

Table A53 provides details of the highest educational level attained by suspects in the most costly external frauds investigated in 2015–16 and 2016–17.

Table A53: Highest education level attained by suspects in the most costly external frauds, 2015–16 and 2016–17 (N)

Educational level attained	2015–16	2016–17
Postgraduate degree	0	1
Graduate Diploma or Graduate Certificate	0	0
Bachelor Degree	2	0
Advanced Diploma or Diploma	0	2
Certificate III or IV	0	0
Year 12	0	0
Year 11 or below, including Certificates below III	0	0
Other	1 ^a	0
Unknown	26	25

a: The 'other' educational achievement in 2015–16 was an overseas qualification
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Respondents were asked a range of questions about the suspect's occupation, relationship to the entity and whether they committed the fraud with others or acted alone.

Occupation

Table A54 provides details of the occupation of suspects at the time the fraud was detected, where known, for the most costly external frauds investigated in 2015–16 and 2016–17.

Table A54: Occupation of suspect when fraud detected, in the most costly external frauds investigated in 2015–16 and 2016–17 (N)

Occupation	2015–16	2016–17
Manager	3	1
Professional	2	6
Technician and trade worker	1	0
Community and personal service worker	0	0
Clerical and administrative worker	0	1
Sales worker	0	0
Machinery operator and driver	0	1
Labourer	0	0
Unemployed	NA	0
Other ^a	8	7
Unknown	15	11

a: In 2015–16 other occupations recorded were: unemployed; company director, entrepreneur, prison officer, researcher/lecturer; workplace support worker and person receiving benefits. In 2016–17, other occupations recorded were: company director, customs broker, director of child care services, politician, secondhand dealer, self-employed family day care educator, and workers compensation recipient
Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Table A55 provides details of suspects’ relationship with the entity at the time the fraud was detected for the most costly external frauds investigated in 2015–16 and 2016–17.

Table A55: Relationship of suspect to entity in the most costly external frauds investigated in 2015–16 and 2016–17 (N)		
Relationship	2015–16	2016–17
Customer or client	9	12
Employee of your entity	0	0
Independent contractor/consultant	1	0
No relationship	5	5
Other ^a	6	6
Unknown	8	4

a: Other relationships reported were: insolvency practitioner, senior manager of entity which received Commonwealth grants funding, applicant for Commonwealth programs, customs broker, grant recipient, program participant, employee of contracted service provider, approval holder regulated under Motor Vehicle Standards Act 1989, and employee/contractor of contracted service provider

Note: One respondent did not provide an answer to the above question

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Collaboration

Respondents were asked if the most costly external fraud had been committed in collaboration with others. For investigations finalised in 2016–17, 19 respondents reported the fraud was committed alone, eight respondents reported that this information was unknown and one respondent failed to provide an answer to the question. In 2015–16, one respondent reported the fraud was committed in collaboration with another person, 20 respondents reported the suspect acted alone and eight advised that the information was unknown.

Motivation

Table A56 provides details of the principal motivation or other reason given for the commission of the most costly external fraud for investigations finalised in 2015–16 and 2016–17.

Table A56: Motivation for committing the most costly external frauds investigated in 2015–16 and 2016–17 (N)		
Motivation	2015–16	2016–17
Greed or desire for financial gain	9	8
Professional financial problems	0	0
Personal and family financial problems	1	1
Gambling-related	0	1
Pleasing others or due to the influence of others	0	0
Addiction to alcohol or drugs	0	0
Psychiatric illness or mental disorders	0	0
Professional development	1	1
Dissatisfaction with entity, desire for revenge against entity	0	1
Other	4	4
Unknown	14	12

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Other motivations included:

- wanting access to personal information; and
- opportunistic fraud due to lack of controls in place.

Fraud control and behavioural factors

Respondents were asked if there were any behavioural changes or personality changes identified in suspects which may have indicated they were at risk of committing fraud. Tables A57 and A58 present the behavioural and fraud control factors observed in the most costly external frauds investigated in 2015–16 and 2016–17.

Table A57: Behavioural indicators displayed by suspects committing the most costly external frauds investigated in 2015–16 and 2016–17 (N)

Behavioural indicator	2015–16	2016–17
Living beyond means (eg travel, gifts, vehicles, housing)	2	0
Lack of social engagement	0	0
Family violence or disputes	1	0
Change in behaviour (ie easily irritated, overly defensive or suspicious of others)	0	0
Complaints about government entitlements (or government in general)	0	0
Other ^a	4	1
No such behaviour observed	2	6
Unknown	21	21

a: Other behaviours observed included: ‘conflict the entity had been made aware of’, ‘previously known to have attempted fraud’, and ‘inaccurate information provided to the department which may have highlighted dishonest behaviour’

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Table A58: Fraud control weaknesses contributing to the most costly external frauds investigated in 2015–16 and 2016–17 (N)

Fraud control weakness	2015–16	2016–17
Lack of internal controls	1	4
Overriding existing internal controls	2	5
Lack of personal identification checks	2	
Lack of clarity of policies and procedures	2	1
Lack of knowledge of policies and rules by offender	3	2
Lack of reviews/checks or audits	5	3
Not applicable (no fraud control weaknesses)	NA	9
Other	5 ^a	1 ^b
Unknown	9	3

a: In 2015–16 other fraud-control weaknesses provided were: ‘theft’, ‘forced break and enter’, ‘all of the above’, ‘information not validated’ and ‘program design weaknesses’

b: In 2016–17 the other fraud-control weakness listed was: ‘lack of monitoring for this particular new fraudulent behaviour’

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Results of the most costly external fraud investigation

Respondents were asked to provide details of the results of the most costly fraud investigated, and, if more than one result was involved, respondents were asked to include details for all outcomes. Not all outcomes are relevant to all investigations (Table A59).

Outcome	2015–16	2016–17
No further action taken	10	4
Final result pending ^a	6	5
Resignation of employee	0	0
Administrative sanctions ^b	4	4
Civil court determination	0	0
Criminal court sentence following conviction ^c	7	6
Criminal court sentence if conviction not recorded	1	2
Suspect declared bankruptcy	0	0
Other outcome ^d	10	8

a: Pending results in 2016–17 included: pending CDPP decision; investigation continuing [despite the questionnaire asking for finalised investigations only]; matter is currently with the CDPP for assessment; broker licence referred to NCBLAC and based on their recommendation the delegate suspended the broker licence; and brief of evidence provided to CDPP in Dec 2016, with no charges laid yet. Assistance provided to NSW Police (technical support, witness statements); NSW Police laid charges and a committal hearing is scheduled for September 2017

b: Administrative sanctions included: three applications were refused, maintaining the status quo [note response was altered to maintain de-identification]; application for 2017 intake of Commonwealth program deemed ineligible; overpayments raised and recovery action commenced; and suspension of approvals to supply to market [note response altered to maintain de-identification]

c: Criminal court outcomes included: (1) The individual's company was fined \$7,500 for an illegal importation offence, \$2,500 for failure to comply with direction, and ordered to pay costs. The individual was placed on a good behaviour bond and given a 19B (no conviction recorded); (2) One offender was sentenced to a period of imprisonment of 18 months, to be released after serving 10 months upon entering into a recognisance. A reparation order, payable to the Commonwealth, was made in the amount of \$107,767; (3) a 12-month good behaviour bond on each of two charges and a surety agreement of \$500 on each charge; and (4) a 3 years and 9 month repayment order for \$230,552.42

d: Other outcomes included: (1) Money voluntarily returned; referred to AFP. AFP decided not to investigate; (2) It was determined the REC agent's compliance procedures did not identify the panels as non-genuine at the time of STC creation. However, the agent was unaware the panels were non-genuine, and was not involved in the supply or installation of the panels; (3) AFP did not accept the matter for investigation due to lack of resources; (4) funds fully refunded by the financial institution; (5) data breach—affected users notified and system upgraded to close vulnerability; (6) recovery from future entitlement; (7) reimbursement by financial institution; and (8) brief of evidence referred to the Commonwealth Director of Public Prosecutions

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Fraud control arrangements

Part of the Commonwealth Fraud Control Framework 2017 ensures entities are aware of their obligations to maintain adequate fraud control. The Commonwealth Fraud Census asked respondents about their entity's fraud control arrangements, including the year in which the most recent fraud risk assessment was completed, noting that fraud risk assessments need not necessarily be standalone activities, but may be included within more general risk assessment activities; and the year in which the most recent fraud control plan was developed, again noting that fraud control plans need not necessarily be standalone documents, but may be included within more general risk management plans (Table A60).

Year	2015–16	2016–17
2016–17	95	78
2015–16	23	39
2014–15	7	9
2013–14 or earlier	3	3
Never had such an assessment	1	1
Nil response to question	2	1

Source: Commonwealth fraud census 2015–16 and 2016–17 [AIC data file]

Respondents were asked to indicate the total number of full-time equivalent (FTE) staff employed by the entity on 30 June 2017 including ongoing, non-ongoing and other employees (Table A61).

Number of staff	Ongoing staff	Non-ongoing staff	Other staff
0–25	24	71	103
26–50	14	23	11
51–100	12	14	3
101–500	37	19	9
501–1,000	12	3	2
1,001–5,000	26	1	2
5,001–20,000	4	0	0
20,001–30,000	1	0	0
30,001 and over	1	0	1

Note: Some respondents could only provide a headcount of employees at 30 June 2017

Source: Commonwealth fraud census 2016–17 [AIC data file]

Respondents were also asked about any employees who undertook any fraud-related duties in 2016–17. Fraud-related duties could include work in fraud control policy, fraud risk management, prevention, detection, investigation, training, fraud reporting etc. Staff who undertook any of these duties were counted even if they also undertook non-fraud-related work. Details of the number of employees who undertook any fraud-related duties in 2016–17 by the size of the entity are presented in Table A62).

Table A62: Number of employees who engaged in fraud-related duties, by entity size in 2016–17 (N)					
Number of employees engaged in fraud-related duties	Size of entity				Total number of entities
	Micro 0–50	Small 51–200	Medium 201–1,000	Large 1,001+ staff	
0	1	1	1	0	3
1–5	22	25	20	12	79
6–20	1	6	12	13	32
21–100	0	3	2	3	8
101–250	0	1	2	4	7
251+	0	0	0	2	2

Source: Commonwealth fraud census 2016–17 [AIC data file]

Fraud investigations by the Australian Federal Police

Table A63 presents the numbers of fraud-related incidents reported to the AFP and either accepted or declined by the AFP for the four years from 2013–14 to 2016–17, along with the value of the fraud cases that were accepted for investigation.

	Cases accepted by AFP	Cases declined by AFP	Value of fraud cases accepted ^a (\$)
2013–14	76	13	304,403,145
2014–15	55	9	471,134,682
2015–16	20	6	180,791,525
2016–17	42	14	705,088,573

a: The value of fraud cases accepted relates to the initial property value as reported by the referring entity
Source: AFP internal data supplied 2014, 2015, 2016 and 2017

Fraud prosecutions by the Commonwealth Director of Public Prosecutions

Table A64 presents statistics on referrals, defendants, convictions, acquittals and charges prosecuted in fraud-type prosecutions handled by the CDPP over the four years for each state and territory.

Table A64: Prosecutions of fraud by jurisdiction, 2013–14 to 2016–17 (N)					
Year	Referrals	Defendants prosecuted	Convictions	Acquittals	Charges prosecuted
New South Wales					
2013–14	235	299	233	7	1,395
2014–15	397	126	95	3	736
2015–16	388	337	249	5	1,294
2016–17	322	426	326	0	1,153
Victoria					
2013–14	236	373	261	1	855
2014–15	355	266	216	0	524
2015–16	257	345	249	1	637
2016–17	173	303	235	0	642
Queensland					
2013–14	378	340	276	0	1,018
2014–15	444	375	308	1	1,009
2015–16	298	393	345	1	1,053
2016–17	245	311	252	0	1,079
Western Australia					
2013–14	114	73	58	1	271
2014–15	161	105	81	0	349
2015–16	94	65	42	0	165
2016–17	85	101	88	1	308
South Australia					
2013–14	76	81	51	0	467
2014–15	178	83	74	0	494
2015–16	91	102	97	0	567
2016–17	88	131	111	0	693

Table A64: Prosecutions of fraud by jurisdiction, 2013–14 to 2016–17 (N)					
Year	Referrals	Defendants prosecuted	Convictions	Acquittals	Charges prosecuted
Tasmania					
2013–14	46	72	49	4	731
2014–15	52	48	39	0	261
2015–16	54	52	42	0	264
2016–17	34	59	52	0	283
Australian Capital Territory					
2013–14	30	17	10	0	141
2014–15	54	14	12	0	34
2015–16	58	48	46	0	93
2016–17	28	56	49	0	211
Northern Territory					
2013–14	19	19	8	0	84
2014–15	17	16	8	0	33
2015–16	9	26	14	0	80
2016–17	15	12	8	0	70
Totals					
Total 2013–14	1,134	1,271	946	13	4,962
Total 2014–15	1,658	1,033	833	4	3,440
Total 2015–16	1,249	1,368	1,084	7	4,153
Total 2016–17	990	1,399	1,121	1	277

Source: CDPP internal data provided to AIC in 2014, 2015, 2016 and 2017

Commonwealth Fraud Control Policy, Annual Reporting Questionnaire 2017

In accordance with the Commonwealth Fraud Control Policy all non-corporate Commonwealth entities are required to collect information on fraud and complete an annual fraud questionnaire by 30 September each year. While corporate Commonwealth entities are not formally required to complete the questionnaire, the Government considers that the collection of fraud information by these entities is best practice and expects that they will also complete the annual fraud questionnaire by the due date.

The structure of this questionnaire

This questionnaire has six sections. You should provide answers to all relevant sections, although if you have undertaken no fraud investigations during the year you will be able to skip any questions that are not relevant.

Section 1 (questions 1–18) concerns information about your entity, the fraud control arrangements that it has in place and how fraud control could be improved.

Information provided in this section may be disclosed to the Attorney-General's Department for use in policy development and compliance. Responses to this section only will name the responding entity but identifiable responses will not be disclosed to other entities or the public, other than as permitted by law.

Section 2 (question 19–20) concerns fraud investigations that were commenced by entities between 1 July 2016 and 30 June 2017. Questions examine:

- (a) Number of fraud investigations
- (b) Number of persons investigated
- (c) Estimated dollars allegedly involved

Section 3 (questions 21–31) concerns fraud investigations that were finalised by entities between 1 July 2016 and 30 June 2017. Questions examine:

- (a) Who conducted investigations
- (b) Detections
- (c) Factual outcomes of investigations
- (d) Results of investigations
- (e) Targets
- (f) Methods
- (g) Investigations involving allegations of corruption
- (h) Investigations involving allegations of collusion
- (i) Impact and recoveries

Section 4 (questions 32–56) examines in more detail the single most costly internal fraud case the investigation of which was finalised between 1 July 2016 and 30 June 2017. Questions examine:

- (a) Investigation
- (b) Detection
- (c) Target
- (d) Method
- (e) Duration of fraud
- (f) Impact and recoveries
- (g) Employment
- (h) Security clearance
- (i) Duration of employment
- (j) Age
- (k) Gender
- (l) Jurisdiction
- (m) Education
- (n) Employment level
- (o) Relationship to other suspects
- (p) Motivation
- (q) Fraud control and behavioural factors
- (r) Duration of investigation
- (s) Results of investigation
- (t) Death of suspect

Section 5 (questions 57–79) examines in more detail the single most costly external fraud case the investigation of which was finalised between 1 July 2016 and 30 June 2017. Questions examine:

- (a) Investigation
- (b) Detection
- (c) Target
- (d) Method
- (e) Duration of fraud
- (f) Impact and recoveries
- (g) Age
- (h) Gender
- (i) Jurisdiction
- (j) Education
- (k) Occupation
- (l) Relationship to Commonwealth entity
- (m) Relationship to other suspects
- (n) Motivation
- (o) Fraud control and behavioural factors
- (p) Duration of investigation
- (q) Results of investigation
- (r) Death of suspect

Section 6 (questions 80–82) asks for further comments on fraud control and how long it took to compile and enter responses to the questionnaire.

All information provided in response to the questionnaire will be analysed and reported in aggregate form, not naming entities or individuals, in a report that may be released publicly by the Minister for Home Affairs.

How to complete the online questionnaire

To complete the questionnaire, go to the logon page that has been provided by letter to heads of entities in August 2017, and enter your entity-specific login and password.

Navigation Note: You should only use the 'previous' and 'next' buttons at the bottom of each questionnaire page to navigate between pages. Do not use your browser arrow buttons at the top of the screen, or the ENTER key, as this will take you out of the questionnaire and you may lose your completed responses.

To print and finalise your questionnaire

- Complete all relevant questions and continue until you reach the 'Finalise' arrow. Do not click on the finalisation button just yet.
- You can scroll through your responses by clicking on the 'Previous' arrow at the bottom of the screen. Once you are satisfied with each section, select 'Print' which is located on the top of the screen, you will need to print each page (section) individually as you either complete the section, or when you are reviewing your responses prior to finalisation.
- If you have typed any free-text responses (such as providing 'other' information) you should copy these to a Word document in addition to printing as they may not be printed on individual page printouts.
- You may also print as you proceed through the survey. When you are satisfied with the answers in the current section select 'Print', then select 'Save and continue' to proceed to the next section.
- Repeat this process for each section you wish to print.
- Your responses are automatically saved by the program when you use the arrow buttons to navigate throughout the screens.

When you have reached the 'Finalise' page and you are satisfied with your answers (and you have printed your responses for your records if required), select 'finalise' to finish the questionnaire.

Once you have chosen to finalise you will not be able to change your answers or print the questionnaire. However if you finalise the questionnaire prior to completion please contact cwlthfraud@aic.gov.au and we can assist you.

At the end of this questionnaire you will be asked to indicate how long it took to

- (a) compile the relevant information and
- (b) to complete the online questionnaire form.

If you experience any difficulties completing the online questionnaire, please contact: cwlthfraud@aic.gov.au or call 02 6268 7487.

How to enter responses

- When answering questions, please enter all numbers in whole numbers only e.g. one hundred = 100, do not include cents.
- It is not necessary to use a dollar sign (\$) when inserting dollar values
- If you wish to answer 'no', 'nil' or 'none' to a question, please indicate this by entering '0' in the field provided.
- Information provided should relate to the financial year 2016–17 (1 July 2016 to 30 June 2017)

Deadline

You are required to submit your response to the questionnaire by 5.00pm, 02 October 2017.

Key terms and definitions

Fraud: Fraud means 'dishonestly obtaining a benefit, or causing a loss to the Commonwealth, by deception or other means'

- Must be intentional, but excludes conduct involving carelessness, accident, or error
- Dishonesty means known by the defendant to be dishonest according to the standards of ordinary people
- Include acts and omissions, whether tangible or intangible
- Perpetrators can be internal staff and contractors, or persons external to the Commonwealth entity such as members of the public
- Fraud can involve dishonesty in connection with breaches of criminal law or a Commonwealth entity's own legislation

Case: An investigation into fraud in relation to one or more individual or individuals who are alleged to have caused a loss or other harm to the reporting entity

Investigation: A fraud investigation is a separate inquiry into allegations of fraud undertaken by an entity, or by a law enforcement or external consultant. A single investigation may relate to one or more suspects and involve one or more allegations of fraud that are handled together.

Commenced Investigation: A fraud investigation is commenced by your entity when allegations are of sufficient merit to warrant further inquiry and this has begun but excluding trivial, and/or vexatious allegations that are unable to be substantiated or cannot be further investigated.

Finalised investigation: A fraud investigation is finalised when the first instance of any of the following has occurred:

- (a) the entity's investigation of the allegations has been concluded;
- (b) the allegations have been referred to a law enforcement or prosecution entity for further action (whether before or after the individual the subject of allegations has left the employment of your entity);
- (c) debts or liabilities arising from the investigation have been written-off as being incapable of further recovery action; or
- (d) the individual the subject of allegations has died.

Internal and External Fraud: For the purposes of this questionnaire, fraud investigations have been divided into 'internal fraud' (carried out by individuals who were employees or contractors of your entity), and 'external fraud' (carried out by individuals who were not employees or contractors of your entity). If you are uncertain whether an investigation concerned internal or external fraud, OR if it principally involved collusion between internal and external actors, please treat it as an internal fraud only.

Example 1:

An employee of a Commonwealth entity conspired with a friend who was in receipt of welfare payments, and who was not a Commonwealth employee, to commit fraud by dishonestly approving the welfare recipient's claims enabling him to receive payments to which he was not entitled.

This fraud should be classified as INTERNAL fraud

Example 2:

An optician found a document in rubbish outside a Commonwealth office that contained information stating that, due to staffing reductions, claims for payment would be unlikely to be checked or audited closely until new staff had been employed by the entity. The optician then lodged a number of fabricated invoices and dishonestly claimed costs from the entity which were paid without question.

This fraud should be classified as EXTERNAL fraud

Reporting (reference) period: 1 July 2016 to 30 June 2017

Section 1 – Respondent information and fraud control arrangements

Question 1: On behalf of which entity are you completing this questionnaire? Please specify the formal entity name, refraining from using acronyms or shortened forms.

Question 2: Please provide the following information regarding the person primarily responsible for completing this questionnaire:

Name	
Phone number	Area (0) Number
Email	
Branch or division of employment	

Question 3: Which of the following best describes the principal function of your entity's core business? By core business we refer to the primary area or activity that your entity focuses on.

For example: The AFP should select 'law enforcement and/ or intelligence' notwithstanding the fact that the AFP has some policy, research and legal functions. If the categories provided below do not adequately reflect your entity's core business you may indicate another category that is more appropriate.

(Choose one only)

- Policy
- Research
- Legal and/ or regulatory functions
- Financial service delivery and / or provider of funds
- Non-financial services
- Administration of grants
- Provision of grants
- Revenue collection
- Law enforcement and / or intelligence
- National security
- Welfare and/or health services
- Cultural/ arts functions
- Environmental science, regulation or planning policy or administration
- Education and/or training administration
- Other category. Please specify:

Question 4: Which of the following best describes your entity’s status under the Public Governance, Performance and Accountability Act 2013 (Cth)?

- Non-corporate Commonwealth entity
- Corporate Commonwealth entity
- Commonwealth company
- Other

Please specify _____

Question 5: Did your entity undergo any substantial change in structure, function or programs or have a significant transfer in function during the reporting period (e.g. a machinery of government change)?

- Yes

If Yes, please describe the change briefly and indicate any key dates of change

- No

Question 6: Has your Accountable Authority reported to your Minister or Presiding Officer concerning fraud control measures for the 2016–17 financial year?

- Yes
- No

If you have any comments or additional information about your entity’s Accountable Authority reporting to your Minister or Presiding Officer about your entity’s fraud control measures for 2016–17 please provide details here:

Question 7: Did your entity complete the Fraud against the Commonwealth questionnaire in 2015–16?

- Yes
- No

Question 8: In which financial year was your entity’s most recent fraud risk assessment completed (fraud risk assessments need not necessarily be stand-alone activities, but may be included within more general risk assessment activities)?

- 2016–17
- 2015–16
- 2014–15
- 2013–14 or earlier
- Never had such an assessment

Question 9: When was your entity’s most recent fraud control plan developed (fraud control plans need not necessarily be stand-alone documents, but may be included within more general risk management plans)?

- 2016–17
- 2015–16
- 2014–15
- 2013–14 or earlier
- Never had such a plan

The following questions relate to full-time equivalent (FTE) staff (two employees working half the hours of a full-time employee should be counted as one).

Question 10: What was the total number of staff employed (FTE) by your entity on 30 June 2017?

Enter number here

Ongoing employees	
Non-ongoing employees	
Other	
Total	

Question 11: Please estimate the number of staff within your entity who undertook any fraud-related duties (pertaining to fraud against the entity) during 2016–17? (Fraud-related duties could include work in fraud control policy, fraud risk management, prevention, detection, investigation, training, fraud reporting etc. You should count staff who undertook any of these duties even if they also undertook non-fraud-related work)

(enter whole number only)

Question 12: How many staff identified in Q-11 worked solely in fraud-related duties during 2016–17?

Question 13: How many staff identified in Q-11 had each of the following types of qualification or training? (You should estimate a number for each qualification category – e.g. 0, or 3 if 3 staff have the same qualification. Some staff may have more than one type of qualification and the total may exceed 100%).

Type of qualification	Enter a number in every cell:
No formal academic qualifications	
Certificate IV in Government (Fraud Control)	
Certificate IV in Government (Investigations)	
Other Certificates	
Diploma of Government (Fraud Control)	
Diploma of Government (Investigations)	
Other Diplomas and Advanced Diplomas	
Bachelor Degree	
Graduate Diploma / Graduate Certificate	
Postgraduate Degree	
Fraud-related law enforcement experience	
Training provided by AFP Fraud and Corruption Centre	
Other qualification	

Question 14: During the 2016–17 year, did any issues arise concerning the prevention, detection or investigation of fraud in your entity that you would like to comment on?

Yes (go to Q 15)

No (go to Q 18)

Question 15: What helped or hindered your entity’s prevention of fraud in the 2016–17 financial year?

Please describe briefly aspects that helped _____

Please describe briefly aspects that hindered _____

Question 16: What helped or hindered your entity’s detection of fraud in the 2016–17 financial year?

Please describe briefly aspects that helped _____

Please describe briefly aspects that hindered _____

Question 17: What helped or hindered your entity’s investigation of fraud during the 2016–17 financial year?

Please describe briefly aspects that helped _____

Please describe briefly aspects that hindered _____

Question 18: What changes, if any, would you suggest for improving training of staff in the area of fraud investigation and control?

Please describe briefly _____

Section 2 – Fraud investigations commenced in 2016–17

This section concerns fraud investigations that were commenced between 1 July 2016 and 30 June 2017, even if the fraud occurred before this period.

An investigation by an entity is commenced when a decision is made that the allegations are of sufficient merit to warrant further inquiry and an investigation case file is opened. Baseless, trivial or vexatious allegations are not to be included.

Question 19: Between 1 July 2016 and 30 June 2017, did your entity commence any fraud investigations?

- Yes go to question 20
- No go to question 21

Question 20: For each of the following categories, please indicate the total number of fraud investigations that your entity commenced in the financial year 2016–17, how many persons were to be investigated and the estimated dollar value allegedly involved?

Note:

- Entries in each column should be mutually exclusive. You should only count investigations that were commenced in the 2016–17 financial year, regardless of when the conduct occurred.
- ‘Estimated dollars allegedly involved’ means your best estimate at the time the investigation commenced of the dollar amount allegedly involved in the fraud, excluding any dollars recovered and excluding costs of investigation and recovery

	Solely internal fraud	Solely external fraud	Fraud involving collusion between internal and external individuals	Unclassified/ Other
Number of fraud investigations commenced in 2016–17				
Number of persons investigated				
Estimated dollars allegedly involved (\$)*				
Percentage of cases commenced the above dollar amount involves				
Percentage of cases commenced where an estimated dollar loss could not be quantified				

* If it is impossible to estimate the dollars allegedly involved, please insert 'NQ' (for not quantifiable) in the relevant cell.

If the estimated value is zero, please enter '0' in the relevant cell.

Section 3 – Fraud investigations finalised in 2016–17

This section concerns fraud investigations that were finalised between 1 July 2016 and 30 June 2017, even if they had been commenced, or if the fraud the subject of the investigation occurred before this period.

A fraud investigation is finalised when the first instance of any of the following has occurred:

- (a) the entity’s investigation of the allegations has been concluded;
- (b) the allegations have been referred to a law enforcement or prosecution entity for further action (whether before or after the individual the subject of allegations has left the employment of your entity);
- (c) debts or liabilities arising from the investigation have been written-off as being incapable of further recovery action; or
- (d) the individual the subject of allegations has died.

Question 21: Between 1 July 2016 and 30 June 2017, were any of your fraud investigations finalised?

- Yes go to question 22
- No go to question 80

The following questions ask about (i) investigations of fraud committed by an employee or contractor of your entity (‘internal fraud’), and (ii) investigations of fraud committed against your entity by a person other than an employee or contractor (‘external fraud’).

If an investigation involved collusion between an internal and external party, then count this as an internal fraud only.

You should provide responses in both the internal fraud column and the external fraud columns. Enter 0 if there were no investigations in any category.

(a) Who conducted investigations

Question 22: For fraud investigations finalised in 2016–17, indicate the principal way in which investigations were conducted? If more than one method was involved, you should choose the principal method for each investigation only).

Enter number of investigations here

	Internal fraud	External fraud
Total number of fraud investigations finalised		
Solely internal investigation by your entity (or Shared Services Centre)		
Solely external investigation by:	Consultant investigator	
	Australian Federal Police	
	State or territory police	
	Financial institution	
	Australian Commission for Law Enforcement Integrity (ACLEI)	
	Other – please specify	
An internal entity investigation preceded by or followed by an external investigation by (if more than one then include the principal organisation only):	Consultant investigator	
	Australian Federal Police	
	State or territory police	
	Financial institution	
	ACLEI	
	Other – please specify	

(b) Detections

Question 23: For fraud investigations finalised in 2016–17, how many involved detection of the principal allegations in each of the following ways? (If more than one detection method was involved, you should choose the principal detection method for each investigation only).

Enter number of investigations here

	Internal fraud	External fraud
Tip-off within entity		
Tip-off external to entity		
Staff member detected		
Internal management review		
Internal audit		
Data analytics		
Accidental detection		
Account reconciliation		
Document examination		
External audit		
Law enforcement notification to entity		
Reporting by financial institution		
Information technology controls		
Self-reporting / confession		
Not recorded/unknown		
Other		
Total number of fraud allegations detected		

(c) Factual outcomes of investigations

Question 24: For fraud investigations finalised in 2016–17, indicate the principal factual outcome of investigations?

Enter number of investigations here

	Internal fraud	External fraud
Allegations substantiated (either in full or part)		
All allegations not substantiated		
Allegations did not meet threshold for investigation (investigation not warranted etc.)		
Allegation referred to another agency and outcome currently unknown		
Other – please specify type and numbers		

The following questions relate to investigations in which allegations were either substantiated in full or in part.

Were all allegations not substantiated either in full or in part (or referred and outcome unknown)?

- Yes (Skip to Q80)
- No (Go to Q25)

(d) Results of investigations

Question 25: For fraud investigations finalised in 2016–17 in which allegations were either substantiated in full or in part, indicate the principal result of investigations?

Note: If more than one result occurred, you should choose the principal result for each investigation only).

Enter number of investigations here

	Internal fraud	External fraud
No further action taken		
Matter referred to police (state or federal) or another agency		
Termination of employment or contract by dismissal		
Resignation of employee		
Claim or benefit withdrawn or terminated		
Administrative sanctions (e.g. APS Code of Conduct)		
Civil court determinations (e.g. damages, injunctions)		
Criminal court conviction outcomes		
Criminal court non-conviction outcomes		
Other – please specify type and numbers		

(e) Targets

Question 26: For fraud investigations finalised in 2016–17, in which allegations were either substantiated in full or in part, what was the principal target of the fraud in terms of the resource, object or benefit targeted by the perpetrator?

If more than one target was involved, you should choose the principal target for each investigation only.

Enter number of investigations here

	Internal fraud	External fraud
EQUIPMENT		
Commonwealth office equipment (other than ICT)		
Commonwealth ICT equipment		
Commonwealth resources (other than vehicles)		
Commonwealth vehicles		
Unable to be determined		
Other Commonwealth assets not previously mentioned – please specify		
EMPLOYEE ENTITLEMENTS		
Expenses (other than travel)		
Travel entitlements		
Payroll		
Leave and related entitlements		
Position entitlement		
Unable to be determined		
Other entitlements – please specify		
BENEFITS		
A general employment benefit such as using employment to obtain a benefit, or a benefit obtained through misuse		
Commonwealth housing benefits		
Commonwealth social security benefits		
Commonwealth health benefits		
Commonwealth passports, visas or citizenship		
Commonwealth child support benefits		
Commonwealth licences		
Unable to be determined		

	Internal fraud	External fraud
Other Commonwealth benefits – please specify		
INFORMATION		
Personal information		
Entity logo or name		
Entity intellectual property		
Other entity information (not personal)		
Unable to be determined		
Other information – please specify		
INTERNAL FINANCIAL FRAUD		
Cash/currency		
Payment cards (e.g. credit cards etc.)		
Non-cash disbursements		
Financial statements		
Procurement payments		
Financial transactions		
Unable to be determined		
Other internal financial fraud – please specify		
EXTERNAL FINANCIAL FRAUD		
Taxation		
Customs and / or excise		
Commonwealth invoices		
Commonwealth contracts		
Commonwealth grants		
Commonwealth programs		
Unable to be determined		
Other financial benefits – please specify		
OTHER		
Fraud involving other targets – please specify		

(f) Methods

Question 27: For fraud investigations finalised in 2016–17, in which allegations were either substantiated in full or in part, what was the principal method by which the fraud was committed? If more than one method was involved, you should choose the principal method for each investigation only.

Enter number of investigations here

	Internal fraud	External fraud
MISUSE OF INFORMATION AND COMMUNICATIONS TECHNOLOGIES		
Accessing information or programs via a computer without authorisation		
Copying or altering data or programs without authorisation		
Misuse of email		
Manipulation of a computerised accounting system		
Insertion of malicious code		
External cyber-attack (e.g. DOS or DDOS, etc.)		
Unable to be determined		
Other misuse of ICT – please specify		
ASSET MISAPPROPRIATION		
Unauthorised use of cash		
Unauthorised use of non-cash assets		
Unauthorised use of payment cards (e.g. credit cards etc.)		
Dishonesty relating to payroll schemes (i.e. falsified wages, or ghost employees)		
Refund fraud		
Dishonesty relating to written-off assets		
Invoicing fraud (e.g. altered payee, fictitious expenses)		
Theft of assets (non-ICT)		
Theft of ICT (computers, laptops, mobile phones, tablets etc.)		
Unable to be determined		
Other misuse of assets – please specify		
MISUSE OF PERSONAL INFORMATION		
Creating and/or using a fictitious identity		
Use of another employee’s or contractor’s personal information without their knowledge		

	Internal fraud	External fraud
Unauthorised use of another person’s password, PIN or access pass		
Unauthorised use of another person’s tax file number		
Unauthorised use of another person’s Australian business number or Australian company number		
Deliberately disclosing sensitive information (in any form) for benefit		
Failure to use or omission of information		
Unable to be determined		
Other misuse of personal information - please specify		
MISUSE OF DOCUMENTS		
Creating and/or using a false or altered entity document		
Creating and/or using a false or altered document (not belonging to your entity)		
Dishonestly concealing documents		
Failing to provide documents when required to do so		
Misuse of entity credentials		
Misuse of office documents		
Unable to be determined		
Other misuse of documents– please specify		
OTHER METHODS		
Fraud involving other methods - please specify		

(g) Investigations involving allegations of corruption

Question 28: For investigations finalised in 2016–17 in which allegations were either substantiated in full or in part, how many involved each of the following types of corruption? If more than one type was involved, you should choose the principal type for each investigation only.

Enter number of investigations here

CORRUPTION
Bias or dishonesty in the exercise of official functions
Accepting bribes to influence a process of government action
Accepting kickbacks or gratuities in exchange for exercising influence on a process or government decision
Nepotism
Acting to influence regulatory outcomes or government decisions to benefit self or another party
Exercising discretions to benefit self or another party
Failure to disclose a relevant conflict of interest in the exercise of official functions
Other forms of abuse of official power or position
Conduct intended to pervert the course of justice
Unable to be determined
Other corruption– please specify
No corruption was involved

(h) Investigations involving allegations of collusion

Question 29: For investigations finalised in 2016–17, in which allegations were either substantiated in full or in part, how many involved each of the following types of collusion? If more than one type was involved, you should choose the principal type for each investigation only.

Enter number of investigations here

COLLUSION
Entity employee or contractor supplying information to an external party without authorisation for the purposes of committing fraud
Entity employee or contractor allowing an external party unauthorised access to entity premises without authorisation for the purposes of committing fraud
Entity employee or contractor conspiring in other ways with an external party for the purposes of committing fraud
Entity employee or contractor conspiring with another internal party for the purposes of committing fraud
Entity employee or contractor consorting with a criminal for the purposes of committing fraud
Unable to be determined
Other collusion – please specify
No collusion was involved

(i) Impact and recoveries

Question 30: For fraud investigations finalised in 2016–17, in which allegations were either substantiated in full or in part, provide your best estimate of each of the following:

Note:

- Amounts should relate to finalised investigations in 2016–17, regardless of when the fraud was committed, or when losses were incurred.
- You should provide whole dollars involved (e.g. 1000, no cents) and the number of relevant investigations in both the internal fraud column and the external fraud column.
- If an investigation involved collusion between an internal and external party, then count this as an internal fraud only.
- Enter 0 if there were no losses involved.
- Enter ‘NQ’ if impact is unable to be quantified.
- Do not include costs of investigation or recovery.
- Do not include dollar signs (\$).

	Internal fraud		External fraud	
	Dollars (\$)	Number of investigations	Dollars (\$)	Number of investigations
Total amount that all suspects / offenders dishonestly attempted to obtain from the Commonwealth				
Total amount that all suspects / offenders were found to have dishonestly obtained from the Commonwealth				
Other non-financial impact –	Please describe		Please describe	

Question 31: Please provide your best estimate of each of the following for actual recoveries in 2016–17:

Note:

- Include all amounts recovered in 2016–17, regardless of when the fraud was committed, when the losses were incurred or when the investigation was completed.
- You should provide whole dollars involved (e.g. 1000, do not include cents) in both the internal fraud column and the external fraud column.
- If an investigation involved collusion between an internal and external party, then count this as an internal fraud only.
- Enter 0 if there were no recoveries made in 2016–17 or if recoveries were unable to be quantified, or recovery action has not been completed.
- Enter 'NQ' if recoveries were unable to be quantified, or recovery action has not been completed.
- Amounts recovered do not include monies not returned to entities (i.e. fines or proceeds of crime payments retained in non-entity accounts).
- For amounts recovered, you may include monies that you know have been recovered following the finalisation of entity investigations during prosecution or proceeds of crime proceedings if they were actually recovered in 2016–17.
- Do not include costs of investigation or recovery.
- Do not include dollar signs (\$).

	Internal fraud	External fraud
	Dollars (\$)	Dollars (\$)
Total amount recovered in any way during 2016–17		
Amounts recovered*		
- through criminal court proceedings		
- through civil court action		
- through administrative action		
- through reimbursement from a financial institution		
- through insurance payment		
- through other means of recovery		
Of the 'total amount recovered in 2016–17' listed above, what percentage of recoveries related to investigations finalised in 2016–17?		
Non-financial recoveries (if any)	Please describe	Please describe

* If you are unable to classify into types of recovery, you may specify a total amount only.

Section 4 – Most costly internal fraud in 2016–17

Question 32: Did your entity finalise any investigations in 2016–17 involving internal fraud, and fraud was substantiated in full or in part?

- Yes (go to Q-33)
 No (go to Q-57)

For this section, of all the internal frauds (including those involving collusion with external parties), the investigations of which were finalised between 1 July 2016 and 30 June 2017, and in which allegations were substantiated, please choose the one that resulted in the greatest financial loss or impact to your entity and answer the following questions regarding that fraud only.

Your responses should relate to the one investigation that was finalised in 2016–17, irrespective of when the fraud was committed or when the investigation commenced.

If the investigation involved more than one accused person, please answer the following questions with respect to the principal suspect only

(a) Investigation

Question 33: What was the principal method by which the alleged fraud was investigated?

Investigation by:	Tick one only
Internal entity only (or Shared Service Centre)	
External consultant investigator	
Australian Federal Police	
State or territory police	
Financial institution	
Australian Commission for Law Enforcement Integrity	
Other – please specify	

(b) Detection

Question 34: What date was the alleged fraud first detected?

Date (day/month/year) _____

(you may provide the year only if other information is unknown)

Unknown

Question 35: What was the principal method by which the alleged fraud was detected?

	Tick one only
Tip-off within entity	
Tip-off external to entity	
Staff member detected	
Internal management review	
Internal audit	
Data analytics	
Accidental detection	
Account reconciliation	
Document examination	
External audit	
Law enforcement notification to entity	
Reporting by financial institution	
Information technology controls	
Self-reporting / confession	
Not recorded / unknown	
Other – please specify	

(c) Target

Question 36: What was the principal target of the fraud in terms of the resource, object of benefit targeted by the perpetrator? If more than one target was involved, you should choose the principal target only.

Tick one only
EQUIPMENT
Commonwealth office equipment (other than ICT)
Commonwealth ICT equipment
Commonwealth resources (other than vehicles)
Commonwealth vehicles
Unable to be determined
Commonwealth assets not previously mentioned
EMPLOYEE ENTITLEMENTS / BENEFITS
Expenses (other than travel)
Travel entitlements
Payroll
Leave and related entitlements
Position entitlement
General employment benefits (e.g. using employment to obtain a benefit, or a benefit obtained through misuse)
Unable to be determined
Other entitlements – please specify
INFORMATION
Personal information
Entity logo or name
Entity intellectual property
Other entity information (not personal)
Unable to be determined
Other information – please specify
INTERNAL FINANCIAL FRAUD
Cash/currency
Payment cards (e.g. credit cards etc.)
Non-cash disbursements
Financial statements

Tick one only
Procurement payments
Financial transactions
Unable to be determined
Other internal financial fraud – please specify
OTHER
Fraud involving other targets - please specify

(d) Method

Question 37: What was the principal method by which the fraud was committed? If more than one method was involved, you should choose the principal method only.

Tick one only
MISUSE OF INFORMATION AND COMMUNICATIONS TECHNOLOGIES
Accessing information or programs via a computer without authorisation
Copying or altering data or programs without authorisation
Misuse of email
Manipulation of a computerised accounting system
Insertion of malicious code
Unable to be determined
Other misuse of ICT – please specify
ASSET MISAPPROPRIATION
Unauthorised use of cash
Unauthorised use of non-cash assets
Unauthorised use of payment cards (e.g. credit cards, fuel cards etc.)
Dishonesty relating to payroll schemes (i.e. falsified wages, or ghost employees)
Refund fraud
Dishonesty relating to written-off assets
Invoicing fraud (e.g. altered payee, fictitious expenses)
Theft of assets (non-ICT)
Theft of ICT (computers, laptops, mobile phones, tablets etc)
Unable to be determined
Other misuse of assets – please specify

Tick one only
MISUSE OF PERSONAL INFORMATION
Creating and/or using a fictitious identity
Use of another employee’s or contractor’s personal information without their knowledge
Fraudulently using another person’s personal information with their permission
Unauthorised use of another person’s password, PIN or access pass
Unauthorised use of another person’s tax file number
Unauthorised use of another person’s Australian business number or Australian company number
Deliberately disclosing sensitive information (in any form) for benefit
Failure to use or omission of information
Unable to be determined
Other misuse of personal information - please specify
MISUSE OF DOCUMENTS
Creating and/or using a false or altered entity document
Creating and/or using a false or altered document (not belonging to your entity)
Dishonestly concealing documents
Failing to provide documents when required to do so
Misuse of entity credentials
Misuse of office documents
Unable to be determined
Other misuse of documents– please specify
OTHER METHODS
Fraud involving other methods - please specify

(e) Duration of fraud

Question 38: Provide your best estimate of the dates upon which the fraud offending commenced and ended? (you may provide the year only if other information is unknown)

Date fraud offending commenced (day/month/year) _____

Unknown

Date fraud offending ended (day/month/year) _____

Unknown

(f) Impact and recoveries

Question 39: Please provide your best estimate of each of the following:

Note:

- Amounts should relate to the most costly internal fraud in 2016–17, regardless of when the fraud was committed, or when losses were incurred.
- You should provide whole dollars involved (e.g. 1000, please do not include cents).
- Enter 0 if there were no losses or other impact involved
- Enter 'NQ' if impact is unable to be quantified.
- Do not include costs of investigation or recovery.
- Do not include dollar signs (\$).

	Dollar (\$)
Total amount that the offender dishonestly attempted to obtain from the Commonwealth	
Total amount that the offender was found to have dishonestly obtained from the Commonwealth	
Other non-financial impact	Please describe

Question 40: Please provide your best estimate of each of the following for actual recoveries from the offender in 2016–17:

Note:

- Include all amounts recovered in 2016–17, regardless of when the fraud was committed, when the losses were incurred or when the investigation was completed.
- You should provide whole dollars involved (e.g. 1000).
- Enter 0 if there were no recoveries made in 2016–17.
- Enter 'NQ' if recoveries were unable to be quantified, or recovery action has not been completed.
- Amounts recovered do not include monies not returned to entities (i.e. fines or proceeds of crime payments retained in non-entity accounts).
- For amounts recovered, you may include monies that you know have been recovered following the finalisation of entity investigations during prosecution or proceeds of crime proceedings if they were actually recovered in 2016–17.
- Do not include dollar signs (\$).

	Dollar (\$)
Total amount recovered in any way during 2016–17	
Amounts recovered*	
- through criminal court proceedings	
- through civil court action	
- through administrative action	
- through reimbursement from a financial institution	
- through insurance payment	
- through other means of recovery	
Non-financial recoveries (if any)	Please describe

* If you are unable to classify into types of recovery, you may specify a total amount only.

If no monies were recovered from the suspect/ offender please indicate why:

- No monies recovered from suspect as yet
- No monies expected to be recovered from suspect
- Not applicable

(g) Employment type

Question 41: What was the type of employment of the suspect at the time the fraud was detected?

(Choose one only)

- Full-time employee
- Part-time employee
- Casual employee
- Contractor/consultant
- Unknown
- Other (Specify) _____

(h) Security clearance

Question 42: What was the highest security clearance obtained by the suspect at the time the fraud was detected?

(Choose one only)

- Positive Vetting
- Negative Vetting Level 2
- Negative Vetting Level 1
- Baseline Clearance
- None
- Unknown
- Other (Specify) _____
- Previous classifications – Confidential, Protected, Highly Protected, Secret, Top Secret (Specify which) _____

(i) Duration of employment

Question 43: How long had the suspect been employed/contracted by your entity in any capacity and at any time in the past (cumulative of all periods with this entity)?

(Choose one only)

- 12 months or less
 - 13 – 24 months
 - 25 – 36 months
 - 37 – 48 months
 - 49 – 84 months
 - 85 months or more
 - Unknown
 - Other (Specify)
-

(j) Age

Question 44: How old was the suspect at the time the fraud was detected?

(Choose one only)

- 17yrs and under
- 18 – 24yrs
- 25 – 34yrs
- 35 – 44yrs
- 45 – 54yrs
- 55 – 64yrs
- 65yrs and over
- Unknown

(k) Gender

Question 45: Was the suspect:

- Female
- Male
- Indeterminate / Intersex / Unspecified
- Unknown

(l) Jurisdiction

Question 46: Where did the suspect reside at the time the fraud was detected?

(Choose one only)

- Australian Capital Territory
- New South Wales
- Northern Territory
- Queensland
- South Australia
- Tasmania
- Victoria
- Western Australia
- Overseas– please specify _____
- Unknown

(m) Education

Question 47: What was the highest educational level that the suspect completed?

(Choose one only)

- Postgraduate degree
- Graduate Diploma and Graduate Certificate
- Bachelor Degree
- Advanced Diploma and Diploma
- Certificate III and IV
- Year 12
- Year 11 or below, including Certificate below III
- Unknown
- Other (Specify) _____

(n) Employment level

Question 48: What was the employment level of the suspect at the time the fraud was detected?

(Choose one only)

- SES level
 - EL 1 and 2 levels
 - APS 5 and 6 levels
 - APS 1 to 4 levels
 - Unknown
 - Not applicable
 - Other (Specify)
-

(o) Relationship to other suspects

Question 49: Did the suspect commit the alleged fraud in collaboration with another person?

(Choose one only)

- Yes – go to Q-50
- No – go to Q-51
- Unknown – go to Q51

Question 50: How many other persons were involved in the alleged commission of the fraud incident?

(Choose one only)

- The following number of persons
- Unknown

(p) Motivation

Question 51: What was the principal motivation or other reason given for the commission of the fraud?

(Choose one only)

- Greed and desire for financial gain
- Professional financial problems
- Personal and family financial problems
- Gambling-related
- Pleasing others or due to the influence of others
- Addiction to alcohol or drugs
- Psychiatric illness or mental disorders
- Professional development
- Dissatisfaction with entity, desire for revenge against entity
- Unknown
- Other (Specify) _____

(q) Fraud control and behavioural factors

Question 52: What was the principal fraud control weakness that contributed to the fraud occurring?

(Choose only one)

- Lack of internal controls
- Poor internal culture
- Lack of reporting mechanisms
- Lack of employee fraud knowledge
- Lack of reviews/checks or audits
- Insufficient separation / segregation of duties by employees
- Overriding existing internal controls
- Unknown
- Not applicable
- Other _____

Question 53: What behavioural indicators were exhibited by the offender prior to the fraud being discovered?

(Choose all that apply)

- Living beyond means (e.g. on travel, gifts, vehicles, housing)
 - Personal financial difficulties
 - Refusal to work with others
 - Refusal to follow procedures and policies
 - Lack of social engagement with colleagues
 - Refusal to use leave
 - Unauthorised access to information
 - Change in behaviour, i.e. easily irritated, overly defensive or suspicious of others
 - Complaints about entity’s administration, pay or management
 - Addictions (e.g. to substances or gambling)
 - No such behaviour observed
 - Unknown
 - Other
-

(r) Duration of investigation

Question 54: On what dates was the investigation into this fraud commenced and finalised? (you may provide the year only if other information is unknown)

Note: A fraud investigation is commenced when allegations are of sufficient merit to warrant further inquiry and this has begun but excluding trivial, vexatious and/or allegations that are unable to be substantiated or cannot be further investigated.

Date fraud investigation commenced (day/month/year)

- Unknown

Note: A fraud investigation is finalised when the first in time of the following has occurred:

- (a) the entity’s investigation of the allegations has been concluded;
- (b) the allegations have been referred to a law enforcement or prosecution entity for further action (whether before or after the individual the subject of allegations has left the employment of your entity);
- (c) debts or liabilities arising from the investigation have been written-off as being incapable of further recovery action; or
- (d) the individual the subject of allegations has died.

Date fraud investigation finalised (day/month/year)

- Unknown

(s) Results of investigation

Question 55: What were the results of this investigation? (If more than one result was involved, you should provide the additional information for all that apply, noting that some might not be applicable).

Result	Additional information required
No further action taken	Date finalised:
Final result pending	Details if any:
Termination of employment or contract by dismissal	Date employment terminated:
Resignation of employee	Date resigned:
Administrative sanctions (e.g. APS Code of Conduct)	What was the sanction:
Civil court determinations (e.g. damages, injunctions)	What was the decision:
Criminal court sentence following conviction	What sentence was imposed:
Criminal court sentence if not convicted	What sentenced was imposed:
Suspect declared bankruptcy	Date declared:
Other – please specify type	What was the outcome:

(t) Death of suspect

Question 56: To the best of your knowledge, is this internal fraud suspect alive at present?

- Yes
- No
- Unknown

If you believe that the suspect is no longer alive, please indicate your belief as to the principal cause of death (natural causes, accident, suicide etc.) and date of death if known?

If you would like to provide any additional information or comments about the most costly internal fraud experienced by your entity in 2016–17 please do so here:

Section 5 – Most costly external fraud in 2016–17

Question 57: Did your entity finalise any investigations in 2016–17 involving external fraud, and fraud was substantiated in full or in part?

- Yes (go to Q-58)
 No (go to Q-80)

For this section, of all the external frauds, the investigations of which were finalised between 1 July 2016 and 30 June 2017, and in which allegations were substantiated, please choose the one that resulted in the greatest financial loss or impact to your entity and answer the following questions regarding that fraud only.

Your responses should relate to the one investigation that was finalised in 2016–17, irrespective of when the fraud was committed or when the investigation commenced.

If the investigation involved more than one accused person, please answer the following questions with respect to the principal suspect only.

(a) Investigation

Question 58: What was the principal method by which the alleged fraud was investigated?

Investigation by:	Tick one only
Internal entity only (including Shared Services Centre)	
External consultant investigator	
Australian Federal Police	
State or territory police	
Financial institution	
Australian Commission for Law Enforcement Integrity	
Other – please specify	

(b) Detection

Question 59: What date was the alleged fraud first detected? (you may provide the year only if other information is unknown)

Date (day/month/year) _____

Unknown

Question 60: What was the principal method by which the alleged fraud was detected?

	Tick one only
Tip-off within entity	
Tip-off external to entity	
Staff member detected	
Internal management review	
Internal audit	
Data analytics	
Accidental detection	
Account reconciliation	
Document examination	
External audit	
Law enforcement notification to entity	
Reporting by financial institution	
Information technology controls	
Self-reporting / confession	
Not recorded/unknown	
Other	

(c) Target

Question 61: What was the principal target of the fraud in terms of the resource, object of benefit targeted by the perpetrator? If more than one target was involved, you should choose the principal target only.

Tick one only
EQUIPMENT
Commonwealth office equipment (other than ICT)
Commonwealth ICT equipment
Commonwealth resources (other than vehicles)
Commonwealth vehicles
Unable to be determined
Commonwealth assets not previously mentioned – please specify
BENEFITS
Commonwealth housing benefits
Commonwealth social security benefits
Commonwealth health benefits
Commonwealth passports, visas or citizenship
Commonwealth child support benefits
Commonwealth licences
Unable to be determined
Dishonestly claiming or receiving other Commonwealth benefits – please specify
INFORMATION
Personal information
Entity logo or name
Entity intellectual property
Other entity information (not personal)
Unable to be determined
Other information – please specify
EXTERNAL FINANCIAL FRAUD
Taxation
Customs and / or excise
Commonwealth invoices
Payment cards (e.g. credit cards, fuel cards etc.)

Tick one only
Commonwealth contracts
Commonwealth grants
Commonwealth programs
Unable to be determined
Other financial benefits – please specify
OTHER
Fraud involving other targets - please specify

(d) Method

Question 62: What was the principal method by which the fraud was committed? If more than one method was involved, you should choose the principal method only.

Tick one only
MISUSE OF INFORMATION AND COMMUNICATION TECHNOLOGIES
Accessing information or programs via a computer without authorisation
Copying or altering data or programs without authorisation
Misuse of email
Manipulation of a computerised accounting system
Insertion of malicious code (e.g. malware)
Unable to be determined
Other misuse of ICT – please specify
ASSET MISAPPROPRIATION
Unauthorised use of cash
Unauthorised use of non-cash assets
Unauthorised use of payment cards (e.g. credit cards, fuel cards etc.)
Dishonesty relating to payroll schemes (i.e. falsified wages, or ghost employees)
Refund fraud
Dishonesty relating to written-off assets
Invoicing fraud (e.g. altered payee, fictitious expenses)
Theft of assets (non-ICT)
Theft of ICT (computers, laptops, mobile phones, tablets, etc.)
Unable to be determined
Other misuse of assets – please specify

Tick one only
MISUSE OF PERSONAL INFORMATION
Creating and/or using a fictitious identity
Unauthorised use of another person’s password, PIN or access pass
Unauthorised use of another person’s tax file number
Unauthorised use of another person’s Australian business number or Australian company number
Failure to use or omission of information
Unable to be determined
Other misuse of personal information - please specify
MISUSE OF DOCUMENTS
Creating and/or using a false or altered entity document
Creating and/or using a false or altered document (not belonging to your entity)
Dishonestly concealing documents
Failing to provide documents when required to do so
Misuse of entity credentials
Unable to be determined
Other misuse of documents– please specify
OTHER METHODS
Fraud involving other methods - please specify

(e) Duration of fraud

Question 63: Provide your best estimate of the dates upon which the fraud offending commenced and ended? (you may provide the year only if other information is unknown)

Date fraud offending commenced (day/month/year)

Unknown

Date fraud offending ended (day/month/year)

Unknown

(f) Impact and recoveries

Question 64: Please provide your best estimate of the following:

Note:

- Amounts should relate to the most costly external fraud in 2016–17, regardless of when the fraud was committed, or when losses were incurred.
- You should provide whole dollars involved (e.g. 1000, do not include cents).
- Enter 0 if there were no losses were involved
- Enter 'NQ' if impact is unable to be quantified.
- Do not include costs of investigation or recovery.
- Do not include dollar signs (\$).

	Dollar (\$)
Total amount that the offender dishonestly attempted to obtain from the Commonwealth	
Total amount that the offender was found to have dishonestly obtained from the Commonwealth	
Other non-financial impact –	Please describe

Question 65: Please provide your best estimate of each of the following for actual recoveries from the offender in 2016–17:

Note:

- Include all amounts recovered in 2016–17, regardless of when the fraud was committed, when the losses were incurred or when the investigation was completed.
- You should provide whole dollars involved (e.g. 1000).
- Enter 0 if there were no recoveries made in 2016–17 or if recoveries were unable to be quantified, or recovery action has not been completed.
- Enter 'NQ' if recoveries are unable to be quantified, or recovery action has not been completed.
- Amounts recovered do not include monies not returned to entities (i.e. fines or proceeds of crime payments retained in non-entity accounts).
- For amounts recovered, you may include monies that you know have been recovered following the finalisation of entity investigations during prosecution or proceeds of crime proceedings if they were actually recovered in 2017–18.
- Do not include costs of investigation or recovery.
- Do not include dollar signs (\$).

	Dollar (\$)
Amounts recovered*	
- through criminal court proceedings	
- through civil court action	
- through administrative action	
- through reimbursement from a financial institution	
- through insurance payment	
- through other means of recovery	
Total amount recovered in any way during 2016–17	
Non-financial recoveries (if any)	Please describe

* If you are unable to classify into types of recovery, you may specify a total amount only.

If no monies were recovered from the suspect/ offender please indicate why:

No monies recovered from suspect as yet

No monies expected to be recovered from suspect

Not applicable (i.e. monies were recovered or no financial losses incurred)

(g) Age

Question 66: How old was the suspect at the time the fraud was detected?

(Choose one only)

- 17yrs and under
- 18 – 24yrs
- 25 – 34yrs
- 35 – 44yrs
- 45 – 54yrs
- 55 – 64yrs
- 65yrs and over
- Unknown

(h) Gender

Question 67: Was the suspect:

- Female
- Male
- Indeterminate / Intersex / Unspecified
- Unknown

(i) Jurisdiction

Question 68: Where did the suspect reside at the time the fraud was detected?

(Choose one only)

- Australian Capital Territory
- New South Wales
- Northern Territory
- Queensland
- South Australia
- Tasmania
- Victoria
- Western Australia
- Overseas– please specify _____
- Unknown

(j) Education

Question 69: What was the highest educational level that the suspect completed?

(Choose one only)

- Postgraduate degree
- Graduate Diploma and Graduate Certificate
- Bachelor Degree
- Advanced Diploma and Diploma
- Certificate III and IV
- Year 12
- Year 11 or below, including Certificate below III
- Unknown
- Other (Specify) _____

(k) Occupation

Question 70: What was the occupation of the suspect at the time the fraud was detected?

For information about categories see: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/1220.0>

(Choose one only)

- Manager
 - Professional
 - Technician and trade worker
 - Community and personal service worker
 - Clerical and administrative worker
 - Sales worker
 - Machinery operator and driver
 - Labourer
 - Unemployed
 - Unknown
 - Other (Specify)
-

(l) Relationship to Commonwealth entity

Question 71: What was the relationship, if any, between the suspect and your entity at the time the fraud was detected?

(Choose one only)

- Customer or client
 - Employee of your entity
 - Independent contractor / consultant
 - No relationship
 - Unknown
 - Other (Specify)
-

(m) Relationship to other suspects

Question 72: Did the suspect commit the alleged fraud in collaboration with one or more trusted Commonwealth employees or former employees?

(Choose one only)

- Yes go to Q-73
- No go to Q-74
- Unknown go to Q-74

Question 73: How many other persons were involved in the alleged commission of the fraud incident?

(Choose one only)

- The following number of persons
- Unknown

(n) Motivation

Question 74: What was the principal motivation or other reason given for the commission of the fraud?

(Choose one only)

- Greed and desire for financial gain
- Professional financial problems
- Personal and family financial problems
- Gambling-related
- Pleasing others or due to the influence of others
- Addiction to alcohol or drugs
- Psychiatric illness or mental disorders
- Professional development
- Dissatisfaction with entity, desire for revenge against entity
- Unknown
- Other (Specify) _____

(o) Fraud control and behavioural factors

Question 75: What was the principal fraud control weakness that contributed to the fraud occurring?

(Choose only one)

- Lack of internal controls
- Overriding existing internal controls
- Lack of personal identification checks
- Lack of clarity of policies and procedures
- Lack of knowledge of policies and rules by offender
- Lack of reviews/checks or audits
- Unknown
- Not applicable (no fraud control weaknesses)
- Other _____

Question 76: Were there any behavioural indicators exhibited by the offender prior to the fraud being discovered?

(Choose all that apply)

- Living beyond means (e.g. on travel, gifts, vehicles, housing)
- Lack of social engagement
- Family violence or disputes
- Change in behaviour, i.e. easily irritated, overly defensive or suspicious of others
- Complaints about government entitlements (or government in general)
- No such behaviour observed
- Unknown
- Other _____

(p) Duration of investigation

Question 77: What date was the investigation into this fraud commenced and finalised?

Note: A fraud investigation is commenced when allegations are of sufficient merit to warrant further inquiry and this has begun but excluding trivial and/or vexatious allegations that are unable to be substantiated or cannot be further investigated.

Date fraud investigation commenced (day/month/year) _____

(you may provide the year only if other information is unknown)

Unknown

Note: A fraud investigation is finalised when the first instance any of the following has occurred:

- (a) the entity's investigation of the allegations has been concluded;
- (b) the allegations have been referred to a law enforcement or prosecution entity for further action (whether before or after the individual the subject of allegations has left the employment of your entity);
- (c) debts or liabilities arising from the investigation have been written-off as being incapable of further recovery action; or
- (d) the individual the subject of allegations has died.

Date fraud investigation finalised (day/month/year) _____

(you may provide the year only if other information is unknown)

Unknown

(q) Results of investigation

Question 78: What were the results of this investigation? (If more than one result was involved, you should choose provide the additional information for all that apply, noting that some might not be applicable).

Outcome	Additional information required
No further action taken	Date finalised:
Final result pending	Details if any:
Resignation of suspect	Date resigned:
Administrative sanctions (e.g. cancellation of contract / grant; revocation of licence etc.)	What were the sanctions:
Civil court determinations (e.g. damages, injunctions)	What was the decision:
Criminal court sentence following conviction	What sentence was imposed:
Criminal court sentence if not convicted	What sentenced was imposed:
Suspect declared bankruptcy	Date declared:
Other – please specify type (e.g. suspect fled jurisdiction)	What was the outcome:

(r) Death of suspect

Question 79: To the best of your knowledge, is this external fraud suspect alive at present?

- Yes
- No
- Unknown

If you believe that the suspect is no longer alive, please indicate your belief as to the principal cause of death (natural causes, accident, suicide etc.) and date of death if known?

If you would like to provide any additional information or comments about the most costly external fraud experienced by your entity in 2016–17 please do so here:

Section 6 – Completion questions

Question 80: Please provide any general comments or feedback in relation to this census

Question 81: Please provide an estimate of the time taken to collate all the information required for this questionnaire.

Hours

Minutes

Question 82: Please provide an estimate of the time taken to complete the online data entry component of this questionnaire.

Hours

Minutes

Thank you for completing this questionnaire

References

Attorney-General's Department (AGD) 2017. *Commonwealth Fraud Control Framework: 2017*. Canberra: AGD. <https://www.ag.gov.au/Integrity/FraudControl/Pages/FraudControlFramework.aspx>

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Smith RG 2015. Spotting a typical fraudster. *IBAC Insights no. 2*. <http://www.ibac.vic.gov.au/news-and-publications/ibac-insights-january-2015/spotting-a-typical-fraudster>

AIC reports
Statistical Report

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