

ATTACHMENT A

Fraud Related Activities Report

(Paper distributed to Audit Committee members and ANAO only)

DEPARTMENT OF THE TREASURY
AUDIT COMMITTEE MEETING 13 June 2008
REPORT ON FRAUD-RELATED ACTIVITIES

The current status of fraud-related activities has been updated from previous meeting. There are two ongoing cases of reported incidents of possible fraud. They are:

[Section 47f] **CASE**

Treasury has received correspondence claiming that the Department holds or recognises certain financial instruments. Treasury considers that making these claims might constitute unlawful activity by a person or number of persons.

In summary, the correspondence relates to funds purportedly held by Treasury in various forms of financial instruments. These instruments are being held out as collateral for a number of attempted financial transactions by [Section 47f] (and others).

Much of this correspondence appears to emanate from a single source or small group as they are similar in nature and wording.

Correspondence of this nature was first received by Treasury in March 2005. However, despite formal advice to the authors or senders that Treasury does not hold such funds, the claims have continued and have been used in conjunction with attempted transactions to a very high value, most recently for a property purchase in Western Australia and with the ANZ Private Bank in Brisbane.

Treasury has also received correspondence from a number of institutions in relation to these attempted transactions.

The matter was investigated by the Australian Federal Police which advised that it could not establish sufficient evidence to support a case.

MOBILE PHONE FRAUD

In February 2008, a Treasurer's Office staff member misplaced his Treasury-issued BlackBerry device whilst departing from a Brisbane taxi. Upon discovering the device missing, the officer contacted the taxi driver who advised that he did not have the device in his car. Treasury's IT Helpdesk promptly barred the phone from access to Treasury's email system.

The billing statement for the February period showed that a number of overseas phone calls were made from the BlackBerry device prior to Optus disconnecting the phone. The calls commenced within minutes of the staff member departing the taxi.

The total cost of the incident (BlackBerry device and international calls) is \$2837.00.

The matter was referred to the Australian Federal Police (Brisbane) which declined to investigate the incident. The Treasury in-house lawyer advised that there was little scope for the matter to be pursued by the Queensland police.

Team Leader, Security