



Global tax chiefs undertake unprecedented multi-country day of action to tackle international tax evasion

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A globally coordinated day of action to put a stop to the suspected facilitation of offshore tax evasion has been undertaken this week across the United Kingdom (UK), United States (US), Canada, Australia and the Netherlands.

The action occurred as part of a series of investigations in multiple countries into an international financial institution located in Central America, whose products and services are believed to be facilitating money laundering and tax evasion for customers across the globe.

It is believed that through this institution a number of clients may be using a sophisticated system to conceal and transfer wealth anonymously to evade their tax obligations and launder the proceeds of crime.

The coordinated day of action involved evidence, intelligence and information collection activities such as search warrants, interviews and subpoenas. Significant information was obtained as a result and investigations are ongoing. It is expected that further criminal, civil and regulatory action will arise from these actions in each country.

This is the first major operational activity for the Joint Chiefs of Global Tax Enforcement, known as the J5, formed in mid-2018 to lead the fight against international tax crime and money laundering. This group brings together leaders of tax enforcement authorities from Australia, Canada, the UK, US and the Netherlands.

“This is the first coordinated set of enforcement actions undertaken on a global scale by the J5 – the first of many,” said Don Fort, US Chief, Internal Revenue Service Criminal Investigation.

"Working with the J5 countries who all have the same goal, we are able to broaden our reach, speed up our investigations and have an exponentially larger impact on global tax administration. Tax cheats in the US and abroad should be on notice that their days of non-compliance are over," Fort said.

Australian Taxation Office (ATO) Deputy Commissioner and Australia's J5 Chief, Will Day, said that this operation shows that the collaboration between the J5 countries is working. "Today's action shows the power of our combined efforts in tackling global tax crime, fraud and evasion."

"This multi-agency, multi-country activity should degrade the confidence of anyone who was considering an offshore location as a way to evade tax or launder the proceeds of crime."

The ATO has commenced investigations into Australian based clients of this institution who are suspected to have undeclared income. The Australian Criminal Intelligence Commission (ACIC) is playing a supportive intelligence role, and investigations into more clients may follow.

"Never before have criminals been at such risk of being detected as they are now. Our increased collaboration, data analytics and intelligence sharing mean there is no place worldwide you can hide your money to avoid contributing your obligations," Day said.

Hans van der Vlist, Chief and General Director Fiscal Information and Investigation Service (FIOD), the Netherlands, said, "This is the first outcome of an operational collaboration between five countries on tackling professional enablers that facilitate offshore tax crime.

The international investigation started on information obtained by the Netherlands. By sharing this information and working together an international impact is created. Together as the J5 we will try to close the net on tax criminals."

Canada Revenue Agency (CRA) Chief Eric Ferron said, "I am very pleased with the role the CRA is playing in what will be the first of many major operational activities for the J5. This coordinated operation shows that the collaboration between J5 countries is working. Tax evaders beware; today's action shows that through our combined efforts we are making it increasingly difficult for taxpayers to hide their money and avoid paying their fair share."

Simon York, Chief and Director of Her Majesty's Revenue and Customs (HMRC)'s Fraud Investigation Service said, "Tax evasion is a global problem that needs a global response and that is what the J5 provides. This kind of international action shows that we can, and we will take on the most harmful, sophisticated and complex crimes and that we are committed to levelling the playing field for honest businesses and taxpayers.

“International tax evasion robs our public services of vital funds, undermines economies and, left unchecked, can enrich the dishonest at the expense of the honest majority.

Working together, HMRC and our J5 partners are closing the net on tax criminals, wherever they are, to ensure nobody is beyond our reach. The message to them is clear - the J5 are closing in.”

More information about J5 is available at [ato.gov.au/j5 \(/about-ato/tax-avoidance/the-fight-against-tax-crime/our-focus/joint-chiefs-of-global-tax-enforcement#AbouttheJ5\)](https://ato.gov.au/j5 (/about-ato/tax-avoidance/the-fight-against-tax-crime/our-focus/joint-chiefs-of-global-tax-enforcement#AbouttheJ5))

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Exclusive National [Operation Atlantis](#)

This was published 3 years ago

Westpac, mint, hundreds of Australians ensnared in global tax evasion probe

[Nick McKenzie](#), [Charlotte Grieve](#) and [Joel Tozer](#)

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Westpac Banking Corporation, the Perth Mint and hundreds of Australian citizens have been caught up in a global tax evasion probe into a Puerto Rican bank co-owned by a flamboyant American millionaire.

Euro Pacific Bank, fronted by US financier and celebrity business commentator Peter Schiff, has been proscribed as a “top tier” organised crime threat to Australia because of its suspected use by Australian and international organised crime syndicates.

International enforcement sources have confirmed that Euro Pacific is the target of Operation Atlantis, a sweeping international tax probe by the “J5”, a taskforce made up of the tax chiefs of Australia, the US, UK, the Netherlands and Canada that was set up after the Panama Papers leak.

Australia’s deputy tax commissioner, Will Day, said about 100 Australians were being investigated and could be jailed for evading tax after simultaneous raids around the world on January 24 in what he described as an “unprecedented” joint probe.

Euro Pacific’s designation as an Australian Priority Organisation Target means police suspect Euro Pacific poses a grave organised crime threat to Australia. It is the most serious classification by the Australian Criminal Intelligence Commission.

Mr Schiff, who denies all wrongdoing, confirmed he had been visited by US tax authorities working in partnership with Australian authorities on January 24.



Banker Peter Schiff CHANNEL NINE

“We’ve complied with all sorts of requests for information,” he said. “We somehow got caught up in whatever’s going on, but there are no valid allegations against the bank. I can tell you there is no tax evasion going on at the bank. The bank is not facilitating anything.”

But the revelations, uncovered in an investigation by *The Age*, *The Sydney Morning Herald*, *60 Minutes* and *The New York Times*, will send a shudder through the global banking world because Euro Pacific has relationships with major financial institutions who facilitate transactions for its 13,000 global customers.

Euro Pacific marketing materials list the bank’s existing or previous financial partners as Westpac and the West Australian government-owned Perth Mint, raising the possibility that the Australian institutions have facilitated the activities of organised criminals or tax evaders.

Euro Pacific’s international partners include the New York Federal Reserve, UK bank NatWest, Canada’s Bank of Montreal and Japan’s Mizuho Bank. Several of those banks have also been targeted by Operation Atlantis, sources confirmed. All declined to respond to questions.

The investigation was prompted by a major leak of the bank’s financial data which was first obtained by Dutch authorities and, later, the J5. Documents suggest Euro Pacific’s Australian clients have included Simon Anquetil, [the Australian businessman jailed for engineering Plutus Payroll](#), the country’s biggest tax scam.

Others with Euro Pacific accounts include a Russian cyber criminal wanted by Australian and US authorities for running the world’s biggest cyber malware attack and an Australian suspected of laundering cash for a billion-dollar drug-trafficking syndicate.

Westpac, which is still reeling from its \$1.3 billion fine in September for breaking money laundering laws, was a Euro Pacific banking “correspondent partner” until 2018. The relationship

meant Westpac facilitated the Puerto Rican's bank's dealings with its Australian customers. The Perth Mint partnered with Euro Pacific to allow the bank's well-heeled customers to buy gold. Former federal police financial crime expert John Chevis warned that Westpac and the Perth Mint might have inadvertently facilitated tax evasion and money laundering by partnering with the Puerto Rican bank.



Westpac was associated until 2018 with Euro Pacific Bank.

The Perth Mint declined to comment on its relationship with Euro Pacific but cut ties just weeks after *The Age* and the *Herald* sent it questions. Westpac declined to comment.

Mr Day refused to name the target of Atlantis, citing his ongoing inquiry and privacy laws, but confirmed Atlantis was targeting large-scale tax evasion and money laundering. Australian accountants and lawyers advising Australians were among the targets of Operation Atlantis, Mr Day confirmed.

“We were concerned about that behaviour and what it was facilitating,” Mr Day said. “We [the tax chiefs] were concerned that it was a common threat to all of our countries.”

“Tax crime is not victimless. Tax criminals take away from that revenue that supports those really important functions. That's important at any time, but even more so during a pandemic.”

Mr Schiff is Euro Pacific's major shareholder and key marketing asset. He is an advocate of using legal loopholes to minimise tax and has attacked terrorist and anti-money laundering regulations as overly onerous. Euro Pacific president is Mark Anderson, a former US bankrupt previously taken to court by US regulators and fined for selling dubious high-risk financial products.

Euro Pacific is marketed by some Australian lawyers and accountants because Puerto Rico offers banking secrecy, including not sharing information with the ATO under an international tax

treaty. Many customers of Euro Pacific are advised to create bank accounts using front companies in other tax havens, creating labyrinthine corporate structures that are difficult for police and tax authorities to unwind.

The ongoing Operation Atlantis inquiry also highlights the failure of successive Australian governments to pass laws recommended by the world's top financial crime taskforce and a bipartisan parliamentary committee which would force Australian lawyers and accountants to report suspicious transactions to authorities.

Australians are allowed to wire money overseas, but must declare their foreign holdings to the ATO and pay tax on any overseas earnings as if the money had been earned domestically.



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Taxpayers on hook for Perth Mint scandal, but state's premier nowhere to be seen



By [Hamish Hastie](#)

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The state opposition has called for a royal commission into the Perth Mint and Gold Corporation as West Australian taxpayers face the prospect of covering potentially hundreds of millions of dollars in anti-money laundering fines.

The mint and Gold Corp were plunged into turmoil after a *Four Corners* report on Monday claimed the state-owned trading enterprises failed horribly in meeting anti-money laundering and counter-terrorism obligations over several years.

The report also claimed that in 2021, the mint tried to cover up a scandal brewing over its practice of diluting or “doping” its gold using silver or copper to improve margins.

WA Premier Mark McGowan held responsibility for Gold Corporation until the portfolio was transferred to Mines Minister Bill Johnston in April 2021.

Johnston is currently on a trade mission to Asia to spruik WA's resources industry, while McGowan is yet to comment publicly about *Four Corners'* claims.

The mint and Gold Corp are currently the subjects of an [Austrac audit that began last year after concerns were raised about the mint's compliance with stringent regulations](#) set by the Anti-Money Laundering and Counter-Terrorism Financing Act.

Opposition Leader Shane Love has been asking questions in parliament about the mint and Gold Corp since 2021, which intensified in August last year after an Austrac audit was launched.

On Tuesday, he said the allegations raised were “unfathomable”.

“We need a full royal commission to get to the bottom of what's been going on – not only around those Austrac allegations, because that is an inquiry which is ongoing, but as we saw last night, the allegations around the gold doping is

of particular concern, and the reputational risk that that exposes for Western Australia's Perth Mint," he said.

Four Corners claimed the mint failed to register more than 5000 international movements of money over a nine-month period. Each failure to register these could result in a fine of up to \$21 million.

Love said the report had uncovered serious issues in the mint that could see WA taxpayers on the hook for hundreds of millions, if not billions, of dollars in fines.

In the past, Austrac has not been afraid to lump enormous fines on organisations that breached anti-money laundering laws.

In 2018, [Commonwealth Bank was hit with a then-record fine of \\$700 million](#) for repeated breaches while in 2020 [Westpac copped a \\$1.3 billion penalty](#) for its own breaches.

The difference here is that the mint's gold is backed by the WA government – it is the only mint in the world to offer such a guarantee – which means taxpayers will have to foot the bill for any fines.

Doping bungle

On top of potential fines, the gold "doping" may also come back to haunt taxpayers.

The mint began doping its gold in 2018 to improve margins on the product while keeping its bullion at a globally accepted 99.99 per cent purity.

However, in 2021 the purity of the mint's bullion was noticed by one of its biggest customers and the exchange with even tougher purity standards than accepted across the rest of the world, the Shanghai Gold Exchange.

Four Corners claims when the mint received a complaint about two bullion sent to SGE it conducted an internal investigation which found about 100 tonnes of gold sent to the exchange could be below their purity standards – about \$8.7 billion worth at today's prices.

During its investigation, the mint went back and found one of the gold bars had been "red flagged" by its own refinery but did not share that information with the Shanghai Gold Exchange. The mint recognised the reputational damage this could cause if it was made public.

This doping practice could leave taxpayers exposed in that the mint may have to purchase the gold back and recast it to acceptable purity, which would mean transport and refinery cost on top of the purchase back.

This may prove tricky, however, given the Chinese government's ban on exporting gold from the country. Shanghai Gold Exchange was contacted for comment.

Financial regulation expert Nathan Lynch said in addition to that gold the mint might also be currently holding customer gold that did not meet global purity specifications.

"The Shanghai gold was only picked up because the bullion was shipped. How much doped gold is inside? How much of that has been altered with silver?" he said.

Gold Corp chief executive Jason Waters played down the purity issue, saying it did not actually affect the overall value of the gold and the issue actually lay with the silver component of the gold, which was above SGE's specifications of 50 parts per million.

However, he conceded that the breach was serious and damaged the mint's reputation.

"Needless to say people are concerned," he said.

"Personally, it's a serious issue. It shouldn't have happened, but it did. It was fixed. My job is to ensure we have procedures in place [to ensure] this sort of stuff doesn't happen again."

Waters said the gold was not actually sold to SGE directly but through an intermediary, who he declined to name, but said the mint was "working with them".

He said when he started at the mint in April 2022 he was made aware of the issue and revealed he had discussed it with Johnston.

He deflected questions about whether the government could be forced to buy back the gold and refine it but said that was an issue that had been raised internally at the end of 2021.

Rita's hospital pass

With the premier nowhere to be seen in Perth on Tuesday, Transport Minister Rita Saffioti faced a barrage of questions about the issues facing the mint and Gold Corp, but could not answer any.

She said the gold doping questions were about operational matters for Gold Corp and the mint, and said she expected McGowan would speak on the issue later this week.

Saffioti also rubbished the opposition's call for a royal commission.

"I think they've asked for a royal commission every week since they've been in opposition," she said.

The most shocking case study in the *Four Corners* expose was the revelation that former [Hells Angels sergeant-at-arms Dayne Brajkovich was able to purchase \\$27,000 worth of gold from the mint](#) in the middle of last year by simply producing his driver's licence.

Waters said he would not comment on individual customers but spoke generally about the mint's failures in the anti-money laundering space.

"We accept that we have matters as there, but we need to improve our processes need to improve our systems need to improve our culture," he said.

"This report from Austrac will be handed down this year. We'll hear the results then and, frankly, I look forward to it because that's how we want to be.

"We own up to it. We'll be held to account for it and we're going to get better."

Lynch backed a call for a royal commission.

"Morally and ethically and legally, it's no different to what the banks and casinos were doing, which is underspending on risk and compliance controls and delivering that as a quasi-profit to shareholders," he said.

The 120-year-old Perth Mint is the only government-owned and guaranteed precious metals enterprise and refines more than 90 per cent of newly mined gold in the country.

It held \$5.85 billion worth of precious metals on behalf of clients in 2021.

SOURCE: <https://www.watoday.com.au/national/taxpayers-on-hook-for-perth-mint-scandal-but-state-s-premier-nowhere-to-be-seen-20230307-p5cq5u.html>