

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**TREASURY**

**Australian Taxation Office**

(Additional Estimates 15 February 2006)

**Topic: Convicted drug barons**

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Senator Sherry asked:

On this issue specifically, I think Senator Murray was referring to drug barons in Victoria. Can you tell the committee how many drug barons have been convicted in the past couple of years as a consequence of any activity by the tax office?

*Mr D'Ascenzo—If you are getting to the broad proposition of organised crime, we will be working with other agencies, and usually under the leadership of the Australian Crime Commission and the Director of Public Prosecutions. Offhand, I do not know that answer. That is the context of it. Mike, if you can add any more?*

*Mr Monaghan—I would not have a figure that precise.*

**Senator SHERRY**—Have you got any figure? Has there been one, two, three?

*Mr Monaghan—I will take it on notice to provide some detail, but the nature of the work in this area takes various forms, and the proceeds of crime path is one of those, and there are both federal and state proceeds of crime regimes. There is also supporting the law enforcement agencies in financial analysis to assist them in identifying the full scale of the crime that has occurred, which may or may not lead to a tax assessment.*

**Senator SHERRY**—I understand that, and I understand the issue of the proceeds of crime; you might not collect any tax. What I am asking about is in how many cases has the tax office played a role—and it may not lead to tax collection—in the successful conviction of a drug baron?

Answer:

The Tax Office responds to requests made by authorised law enforcement agencies in respect of serious offences under *section 3E* of the *Taxation Administration Act 1953* which assists them in their investigation of serious offences.

Under this authority the Tax Office is informed of the suspected offence however the information disclosed by the Tax Office (other than that in relation to Proceeds of Crime orders) may not be used in evidence.

The Commissioner's annual report details requests received by agency under *section 3E* of the *Taxation Administration Act 1953* and the relevant act(s) to which the suspected serious offence(s) relate. Tax Office involvement however is limited to ensuring that the information is relevant to the investigation of a serious offence; no details of the outcome of the disclosure are received or known by the Tax Office.

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The Tax Office has no details of prosecutions arising from tax office involvement with “drug barons”. This activity of this nature is not undertaken by the tax office. Prosecution information is held by other agencies such as the various State Police forces, the Australian Crime Commission and the Australian Federal Police.

The Tax Office has worked with both the Victorian State Police and the Australian Crime Commission in respect of “drug barons”. This has resulted in \$4.2 million in assessments and penalties being raised by the Tax Office.