

# What is fraud?

Fraud is a crime. It requires intent. People who commit fraud try to get benefits for themselves or others by being dishonest.

Fraud is more than carelessness or making mistakes. If someone unintentionally does the wrong thing, we call this non-compliance.

There are a number of ways people commit fraud against the NDIA:

- unlawfully obtaining and using NDIA information or restricted data
- providing false or misleading information
- using fake documents and invoices
- making claims for services or products that were not provided
- misusing funds.

The NDIA has zero tolerance for fraud against the NDIS and participants.

Criminal behaviour will always be investigated and perpetrators will be prosecuted.

Our [Fraud Strategy Statement](#) outlines our approach to addressing fraud against the NDIS.

We also rely on tip-offs to help us identify people who may be doing the wrong thing with NDIS funds. If you think someone is doing the wrong thing with NDIS funds, you should [report it to us](#).



## Case study

### Hijacking businesses

Macy works for the NDIA. Following a compliance audit, Macy found some unusual activity against several ABNs linked to NDIS providers.

The NDIA investigated the matter and found that an employee of a national NDIS provider was running a criminal network, which hijacked ABN details of businesses and registered them as NDIS providers.

The hijacked businesses were used to fraudulently claim payments from the NDIS. The owners of these businesses were unaware that their businesses were being used to commit fraud against the NDIS.

The Australian Federal Police charged the employee of the NDIS provider and approximately \$650,000 was refunded to the NDIS.



## Case study

### Phoenixing

Illegal phoenix activity is when a company is liquidated, wound up or abandoned to avoid paying its debts. A new company is then started to continue the same business activities without the debt.

The NDIA became aware that a provider, Supportglow, was fraudulently claiming supports that they hadn't provided to participants. The NDIA placed a claiming lock on Supportglow, which stopped them from receiving any future payments.

The NDIA also contacted participants impacted by Supportglow's fraudulent claims to make sure they could still access the supports they need and to return the funds back to their plans.

Following further investigation, the NDIA discovered that the people involved with Supportglow had already registered a number of other NDIS providers and started claiming under the new provider name. The NDIA undertook further action to stop payments being made to these new businesses.

Working in partnership with the NDIS Quality and Safeguards Commission, the NDIA continues to closely monitor phoenixing activity to prevent further impacts on participants. New matters are also referred to the NDIS Fraud Taskforce.

## NDIS Fraud Taskforce

The NDIA is a member of the NDIS Fraud Taskforce - a partnership between the NDIA, the Australian Federal Police (AFP) and Services Australia, with a focus on high risk and serious criminal activity targeting the NDIS.

Established in 2018, the NDIS Fraud Taskforce has played an important role in the investigation and successful prosecutions of criminals targeting NDIS participants. Their work includes:

- identifying and investigating serious and organised fraud

- referring cases to the Commonwealth Director of Public Prosecutions
- working with the AFP to conduct search warrants and arrests
- providing evidence to the court in criminal cases.

Cases handled by the NDIS Fraud Taskforce are serious and organised. This means the crimes must be punishable by imprisonment and involve collaboration between several parties.

Fraud cases that are not considered serious and organised are referred to the NDIA for further investigation.

## Current NDIS fraud investigations

**4,098**

NDIS participants potentially affected by fraud



**28**

Fraud investigations in progress



**7**

Matters being evaluated for possible investigation



**9**

Matters before the courts



**\$118.2m**

Estimated value of NDIS funds



Data current as of October 2021

## NDIS fraud prosecutions

**5**

Successful NDIS fraud prosecutions



**>\$2.5m**

Total value of NDIS funds



**\$8.5m**

Total value of assets seized



**30 years**

Total jail sentences and other penalties given



Data current as of October 2021

# Report suspicious behavior

If you suspect someone is doing the wrong thing with NDIS funds, you should report it to us by:

- calling the NDIS Fraud Reporting and Scams Helpline on 1800 650 717 or
- emailing [fraudreporting@ndis.gov.au](mailto:fraudreporting@ndis.gov.au).

When making your report, please consider the following questions:

- Who are you making a report about?
  - A provider
  - Someone employed by the NDIA or our Partners in the Community
  - A participant or nominee
- When did it occur and for how long?
- What happened?
- Where did it occur?
- Why does it seem suspicious?
- How did you learn about this?
- Who else have you reported this matter to?

## What happens when you make a report

We take all reports seriously and assess every allegation made to us. Depending on the information provided to us, we may:

- start a formal investigation into the matter
- undertake compliance activities including:
  - audits
  - education
  - reclaiming debts or
- refer the allegation to another authority.

In some cases, we may not take any further action. This is usually because:

- we are unable to properly identify the business or person associated with the allegation

- the business or person you name doesn't provide services to the NDIS, or have involvement with the NDIS
- the person you name isn't an NDIS participant
- the information provided isn't relevant to the NDIA or the NDIS
- we confirm the person is not doing anything wrong and is acting within the rules of the NDIS.

The more information you can provide, the better able we are to look into the matter.

Where possible, we will let you know what action we are taking in response to your allegation.

Sometimes we can't tell you what we're doing because we need to protect the privacy of individuals or the integrity of an investigation. We also may not be able to give you any information about the conduct or outcome of the investigation due to our obligations under the Privacy Act 1988.

### **If we find evidence of non-compliant behaviour**

We may take action including:

- reclaiming a debt
- conducting an audit
- provide further education and guidance
- referring the matter to the NDIS Quality and Safeguards Commission.

### **If we find evidence of criminal behaviour**

We will investigate further and prosecute the perpetrators.

This means we may make a referral to the Commonwealth Director of Public Prosecutions, to pursue criminal prosecutions.

We may also take civil action to recover money lost as a result of fraud or intentional non-compliance.

# Where to get help

## For participants and nominees

If you have questions about how to use your NDIS funds lawfully, your NDIS planner or LAC can provide advice and support to help you do the right thing.

There is also helpful information on our website:

### Would we fund it?

Our [Would we fund it?](#) guides include examples of commonly requested items that we find cause the most confusion. For each item, we explain how we make reasonable and necessary decisions about them and provide advice about whether or not we typically fund them.

### Our guidelines

[Our guidelines](#) explain what we need to consider and how we make decisions based on the NDIS legislation and rules.

We have been updating our guidelines to make the language clearer and easier to understand. The new guidelines are written in plain English and include more information about how we make decisions.

## For providers

We have a range of resources on our website to help providers do the right thing including guidance on:

- making service agreements
- records keeping
- making claims.

The NDIS Quality and Safeguards Commission also has information and guidance on [their website](#) to help providers do the right thing including [NDIS Practice Standards](#) and the [NDIS Code of Conduct](#).

# ndis

## Report suspected fraud or non-compliance by:

Calling 1800 650 717 or emailing [fraudreporting@ndis.gov.au](mailto:fraudreporting@ndis.gov.au)

## For more information about the NDIS, please contact:

### National Disability Insurance Agency

 Telephone 1800 800 110

 Find us on Facebook/NDISAus

 Follow us on Twitter @NDIS

[ndis.gov.au](http://ndis.gov.au)

### For people who need help with English

 TIS: 131 450

### For people who are Deaf or hard of hearing

 TTY: 1800 555 677

 For Speak and Listen: 1800 555 727

 Internet relay: National Relay Service  
[relayservice.gov.au](http://relayservice.gov.au)