2 August 2021

The National Disability Insurance Scheme (NDIS) is extending the NDIS Fraud Taskforce to crack down on dodgy providers and ensure participants get the supports they need.

Minister for the NDIS, Senator the Hon Linda Reynolds CSC today announced the Taskforce will be extended indefinitely to protect the integrity of the Scheme and the participants it supports.

“This extension sends a clear signal on the Australian Government’s zero tolerance approach to fraud,” Minister Reynolds said.

“Participants, their families and carers must feel confident that the NDIA is preventing, detecting, and responding to fraud.

“My priority is ensuring participants are protected from illegal or unscrupulous behaviour and that illegal activity will be detected and met with the full force of the law.”

In July 2021, state and territory disability ministers met with Minister Reynolds and agreed that she would bring forward legislation in the next Parliamentary session to further protect participants from unscrupulous provider behaviour.

Earlier this year, the Taskforce carried out its largest-ever operation following an investigation into an alleged criminal syndicate. Operation Pegasus resulted in the arrests of six people, who are accused of alleged multi-million dollar fraud against the NDIS.

The NDIA has also established a new Compliance Response team, a 30-member group that will work to proactively identity potential non-compliance by both providers and participants through activities such as data analytics.

The NDIS Fraud Taskforce is a multi-agency partnership between the National Disability Insurance Agency (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 been integral in the investigation and successful prosecutions of criminals targeting NDIS participants.

Anyone with concerns that fraud is being committed against the NDIS should contact the NDIS fraud reporting and scams helpline on 1800 650 717.

THE NDIS FRAUD – KEY TASKFORCE OPERATIONS

Operation Pegasus (Dec 2020 – April 2021)

Following an investigation into suspected fraudulent NDIS providers, the Taskforce executed 11 search warrants across western Sydney – resulting in a multi-million dollar seizure of items including; gold bullion, cash, cryptocurrency, three luxury vehicles, jewellery and a small amount of white powder believed to be illicit drugs.

Four men and one woman charged with a range of offences relating to their alleged involvement in the criminal syndicate.

One man remains in custody with the remaining offenders released on strict bail conditions. All are due to appear in Court again in August 2021.

Operation Apus (Dec 2018 – May 2019)

Investigation launched following complaints against NDIS providers claiming funds from NDIS plans for full and partial services that were not agreed to, approved or provided.

Five search warrants were conducted, resulting in the seizure of key evidence, as well as proceeds of crime secured and later forfeited to the Commonwealth – including cash, jewellery, other luxury items, a NSW property and multiple luxury vehicles.

Six offenders were arrested and charged. All of the accused eventually entered guilty pleas, with the key offenders each sentenced to 4 years and 9 months imprisonment. The last offender is set to be sentenced in August 2021.

Operation Cetus (Oct – Dec 2019)

A Victorian man faced 19 charges relating to Commonwealth fraud offences after fraudulently obtaining $342,940 in NDIS funding after submitting payment requests for services never provided.

He operated a business that claimed for services to participants across five states and territories. A further $156,338 of fraudulent claims were received but rejected by the NDIA.

In December 2019, warrants were executed in Bendigo, resulting in the seizure of evidence purchased with the proceeds of crime.

In July 2021 he pleaded guilty to all charges and was sentenced to three years imprisonment.

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