



## Media release

09 October 2018

### Million dollar claim for business that didn't exist

A 58-year-old Reservoir man, Jeffrey Harrison, was today sentenced in the County Court of Victoria to four years and two months' jail for more than \$1 million of tax fraud committed while he was the director of a company. He was also ordered to pay tax, interest and penalties of \$884,496 to the Australian Taxation Office (ATO).

In 2015 ATO officers audited Mr Harrison's company, Hey Man Transport Pty Ltd and uncovered more than \$1 million in fraudulent Good and Services Tax (GST) refund claims he made in Business Activity Statements (BAS) lodged between 2009 and 2015.

Over this period Mr Harrison lodged 74 BAS in which he fraudulently claimed \$1,084,274 in GST refunds.

In order to legitimately accrue more than \$1 million in GST refunds, Mr Harrison would have had to have spent a minimum of \$11.9 million on goods or services needed to run his transport business.

Despite the company appearing to have no commercial business activity, Mr Harrison's GST claims grew over time to \$19,000 a month at their highest point in 2015. The court found these claims to be entirely fraudulent.

Deputy Commissioner Will Day said it was astounding that anyone thought they could get away with such brazen fraud against the tax system.

"This wasn't an honest mistake by a small business owner trying to do the right thing – it was a calculated and deliberate attempt to commit fraud and steal money from taxpayers," Mr Day said.

"Investigations by our auditors showed Mr Harrison was claiming very large GST refunds which did not reflect the actual operations of his business.

"We welcome the jail sentence handed down and the warning it sends to others considering engaging in similar behaviour: if you break the law we will hold you accountable, even if it means pursuing you in the courts."

If you have any information which may indicate tax fraud or evasion, find out how to report it by visiting [ato.gov.au/reportaconcern](http://ato.gov.au/reportaconcern).