



# CDPP

*Australia's Federal Prosecution Service*

**Commonwealth Director  
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## MEDIA RELEASE

For Immediate release

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**GST FRAUD LEADS TO GAOL**

**Date:** 17 November 2014

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An Adelaide man who dishonestly obtained \$130,143 from the Commonwealth has been sentenced to 2 years and 8 months imprisonment, following prosecution by the Commonwealth Director of Public Prosecutions (CDPP). This matter was investigated and referred by the Australian Taxation Office.

Michael Jeffrey Purse pleaded guilty to charges relating to lodging 22 Business Activity Statements (BAS) which contained false information designed to increase Goods and Services Tax (GST) refunds.

Purse was the sole director of three companies which he established to sell internet domain names and hosting sites. For 18 of the BAS lodged, refunds of \$130,143 were paid into a bank account associated with the companies. For four of the BAS lodged, refunds of \$27,558 were claimed however the ATO stopped these payments.

James Carter, CDPP Deputy Director, Revenue and Benefits Fraud said the GST is a key element of the Australian taxation system and prosecuting people who exploit that system is an important way in which the CDPP helps to maintain public confidence in the tax system.

In his sentencing remarks, His Honour, Judge Stephen Millstead said 'the offences [Purse] committed were serious. They were not impulsive crimes but involved repeated and calculated offending over a sustained period. It would also appear that these were crimes driven by greed rather than need' and:

'Tax fraud... is not a victimless crime. The victims are the taxpayers who are left to make up the deficiencies in revenue. Those who systematically defraud the revenue of a large sum of money over a substantial period must in general expect a substantial custodial sentence... Because the tax system is based on self-assessment, strong sanctions must be applied to those who seek to dishonestly exploit the system to the detriment of honest citizens' His Honour concluded.

His Honour directed Purse be released after serving 15 months upon entering into a recognizance to be of good behaviour for a period of two years.

## **Background**

Michael Jeffrey Purse was charged with 22 counts relating to dishonestly obtaining a gain from the Commonwealth contrary to section 135.1(1) *Criminal Code* (Cth).

## **About the CDPP – Australia’s Federal Prosecution Service**

The Office of the Commonwealth Director of Public Prosecutions (CDPP) is an independent prosecution service established by Parliament to prosecute alleged offences against Commonwealth law. Prosecuting frauds against the Australian taxation system is a significant part of the CDPP practice.