

Small business is being ripped off over and over again and State Governments have no interest in prosecution these crimes as they do not get any tax from small business. Police say it is civil - not criminal and do not prosecute.

The tax office has penalties of 200% for tax fraud yet are losing heaps of tax from small business everytime a business is robbed or defrauded.

If the tax office was interested in protecting its tax revenue it would set up a police force with a strong legal arm to investigate and prosecute crimes against small business and the Government should pass legislation allowing the proven losses to have a penalty of 200%. As these crimes are both civil and criminal and thus fit in a difficult area for legal prosecution new laws are required to deal with them as criminal and civil.

The 200% penalty would make the prosecution of crimes against small business self funding and would allow the government to establish a "litigation bank" to fund investigations of crimes against small business.

Examples of what happen include:

A salesman works for a small business employing 12 people, he leaves taking all the contacts with him and sets up in opposition (breach of fiduciary duty). The salesman then bad mouths his previous employer so 12 people lose their job and two people get a business. The loss and damage to the tax revenue is thus very significant.

An employee quits taking a \$20,000 motor cycle home with him, When he is reported to the Police the Police say it is civil not criminal. The employee hides the motor cycle (possibly sells it to someone else for parts) and the employer has a significant hit on his cash flow thus reducing his ability to maintain the stock that keeps his business performing with positive income. Tax revenue from this small business is then much lower than it would have been.

An employee steals computer software that has cost the employer \$120,000 to produce and while there sabotages the version held by the employer. The employee then uses his password access to customers to sabotage their computer systems causing massive loss of data and thus a financial nightmare for those customers. The employer goes broke costing the tax office \$millions in lost tax revenue and the Police admire the employee's tactics and refuse to investigate saying it was intellectual property and is hard to prove. 12 employees lose their jobs and many other business suffer this the tax office loses \$millions in future tax revenue.

A conman purchased product without the intention of paying for it. The legal system is too expensive and unweildy to deal with this situation. This conman has been doing it over and over to many businesses and thus he has cost the tax office \$millions in lost tax revenue as he damages businesses' cash flow and thus their ability to be productive costine the tax office millions. The Police say it is civil not criminal and refuse to investigate.

An export business employs a translator so they can sell to the Chinese. The translator leaves making arrangements with several customers. The exporter goes broke and Australia loses its export income. The translator makes a short term profit and then moves onto some other scam. Breach of fiduciary duty litigation becomes bogged down in legal expenses etc. Foreign Importers then

suffer as the exporter has difficulty supplying the goods and they lose confidence in this country as an exporter.

In many cases the business that suffers the crime cannot afford to pay lawyers to prosecute and in any case the prosecution is more expensive than the losses and the result of legal action is a net loss.

This is an issue that should be discussed at this tax forum.

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