

ATTORNEY GENERAL — PORTFOLIOS — BUSINESS SCAM

5848. Mr B.S. Wyatt to the minister representing the Attorney General; Minister for Commerce:

I refer to the online news article published by the ABC online on 17 August 2016 in relation to scammers stealing \$500,000 from West Australian businesses over the past two years as reported by the Department of Consumer Protection, and I ask:

- (a) have any WA Government agencies within the Minister's portfolio of responsibility fallen victim to these scams over the past two years;
- (b) if so which agencies have been impacted;
- (c) for each agency impacted, what was the nature of, and the dollar amount lost in connection to each scam;
- (d) have criminal charges been laid against any persons or entities in connection to these scams; and
- (e) what measures have you taken to ensure that public funds are not lost to scammers via WA Government agencies?

Mrs L.M. Harvey replied:

Corruption and Crime Commission

- (a) No.
- (b)–(d) N/A.
- (e) Internal finance procedures and adherence to taxation law prevent transfers of money via an email request. Any request to change a bank account is verified by telephoning the supplier for confirmation of the change. The supplier's telephone number is sourced from the White Pages, not from the invoice that may have been tampered with, preventing a fraudulent number being used.

Commissioner for Children and Young People

- (a) No.
- (b)–(d) N/A.
- (e) All invoices are checked against a Request to Purchase form, if there is no Request to Purchase, the invoice is investigated further. Invoices are cross-checked against the operating budget. Each invoice to be paid is signed off by two people.

Department of Commerce

- (a) No.
- (b)–(d) N/A.
- (e) The Department of Commerce recognised the serious nature of the sophisticated 'man in the middle' scam and warned the public through a well-publicised media statement on 17 August 2016.

The Department of Commerce, the Small Business Development Corporation and the Western Australia Police also alerted businesses, not-for-profit organisations and the wider community through joint communication. This included extensive use of social media.

The Director General of the Department of Commerce wrote directly to all Directors General and Local Government Chief Executives alerting them to the aspects of the 'man in the middle' scam. The Department of Local Government and Communities immediately issued a bulletin to all local government authorities. The Public Sector Commissioner then followed this messaging with a further notification to all agencies, reinforcing the issues associated with the potential infiltration of this scam and the importance of awareness and preventative measures.

Department of the Attorney General

- (a) No.
- (b)–(e) N/A.

Office of the Director of Public Prosecutions

- (a) No.

(b)–(e) N/A.

Equal Opportunity Commission

(a) No.

(b)–(d) N/A.

(e) The Commission has an internal approval process for all expenditure which would ensure sufficient checks are in place to ensure the safety of public funds.

Office of the Information Commissioner

(a) No.

(b)–(d) N/A.

(e) The Office of the Information Commissioner’s (OIC) Information Technology Manager keeps abreast of current scams and forwards all advice to staff. Invoices paid by OIC are regular and unchanging, making ‘unusual’ invoices unlikely to be paid without question. All invoices are entered into a register before payment to avoid double payments and ensure the invoice is properly checked before payment is arranged.

Legal Aid

(a) No.

(b)–(e) N/A.

Legal Practice Board of Western Australia

(a) No.

(b)–(e) N/A.

Legal Profession Complaints Committee

(a) No.

(b)–(e) N/A.

Solicitor General’s Office

(a) No.

(b)–(e) N/A.

The Department of the Registrar, WA Industrial Relations Commission

(a) No.

(b)–(d) N/A.

(e) The Department’s ICT section utilises advanced Web filters to capture Scam emails. Simultaneously, payment thresholds exist across different levels of senior management and there are stringent financial controls across the Department which require authorisation of any payments or invoices to be endorsed by senior management, utilising these strict financial protocols.

Further, any unusual or unexpected requests for payments or expenditure are required to be brought to the attention of senior management and the Chief Executive Officer. If required, authenticity of emails are verified by the ICT section.

WorkCover

(a) No.

(b)–(d) Not applicable.

(e) WorkCover WA has strong manual and system controls embedded within its financial processes, including:

- written policies and procedures contained within a comprehensive accounting manual;
- dual signatories for supplier payment authorisation and approval; and
- supplier call back verification for any requested changes to bank account details.

The above processes are subject to regular audit by both internal audit (KPMG) and the Office of the Auditor General.