

Fraudulent childcare syndicate allegedly reeled in \$4m, police say^[1]

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EXCERPTS

An alleged criminal syndicate used the names of real children to claim government childcare subsidies for children who weren't being cared for, police say.

Eighteen people have been arrested over an alleged highly-sophisticated family daycare fraud which police claim roped in millions in government rebates.

Three men - aged 24, 40 and 49 - and 15 women - aged between 21 and 44 - were arrested on Wednesday after NSW Police raided 23 properties throughout Western Sydney and Wollongong.

The criminal syndicate allegedly fraudulently claimed \$4 million in commonwealth benefits under the federal government's child care subsidy schemes, police said.

NSW Police say they will allege that the director of the syndicate - which appeared to be a legitimate child care business - took home close to \$30,000 a fortnight from the fraudulent activity.

It is understood the alleged director of the scheme, 49-year-old Alee Farman, came to Australia from Iraq in the 1990s on a protection visa.

He became an Australian citizen in 2007.

"This is the first time that we have taken out such a significant group of people who basically in essence set up a child care company and they were running a number of locations where family day care allegedly occurred," Assistant Commissioner Stuart Smith told reporters on Thursday.

"It looked like a legitimate business. It created time sheets, it had photographs of children that weren't in care. It had mock-up areas, it had an administrative structure, rostering, like anything else in a legitimate business. However, the whole thing was a fraud."

Mr Smith said the syndicate used "legitimate children's names" to claim the rebates but that none of the children were actually being cared for.

"The whole thing was a very elaborate, elaborate, syndicated criminal organised crime venture," he said.

"We saw a level of sophistication or coordination in this that we don't see in outlaw motorcycle gangs, which are the largest criminal group in Australia."

Several agencies, including the state and federal education departments and the Australian Criminal Intelligence Commission, were involved in the 10-month investigation that led to the charges being laid.

Mr Smith alleged that up to 150 parents were claiming rebates from the syndicate and said further arrests are possible.

In July 2018, detectives from the Financial Crimes Squad and Organised Crime Squad, along with the Australian Government Department of Education and Training and the Australian Criminal Intelligence Commission (ACIC), established Strike Force Mercury to investigate the coordinated fraudulent activities targeting family day care operations.

More than 300 officers carried out the execution of the search warrants on Wednesday morning.

The strike force has also been assisted by the NSW Department of Education and NSW Crime Commission.

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