



We're targeting:

Illegal phoenix activity

Illegal phoenix activity is when a company is deliberately liquidated, wound up or abandoned to defeat creditors, leaving debt behind. The company's assets or employees are shifted to the controllers or to a new entity that begins trading, often under a similar name.

Illegal phoenix operators gain an unfair competitive advantage by never intending to meet their financial or tax obligations.

This impacts the business community, employees, contractors, the government and the wider community through:

- non-payment of wages, superannuation and accrued employee entitlements
- getting an unfair competitive advantage over other businesses
- non-payment of suppliers
- loss of government revenue and increased monitoring and enforcement costs
- avoidance of regulatory obligations.

Criminals we are on the lookout for:

The Phoenix Operator deliberately winds up or abandons a company (typically within a year) leaving its debts behind and no one to chase.

They may then start another company up immediately to take over where the 'failed' company left off, or else they often flee the country.

Victims can include employees, investors and contractors.



The property and construction industries have been targeted by phoenix operators. Other 'at risk' industries include food services, transport, agriculture and payroll services.

Warning signs that can help identify The Phoenix Operator:

- Assets or employees are shifted to the controllers or to a new entity that begins trading, often under a similar name.
- Pays bribes to encourage people to turn a blind eye and keep quiet.
- Labour exploitation: for example, provides third party assurances that work was completed when it wasn't, and in some cases by people who do not exist.
- Underpays workers and 'skims' monies received.
- Fails to pay subcontractors.
- The same individual is involved in several business 'failures'.

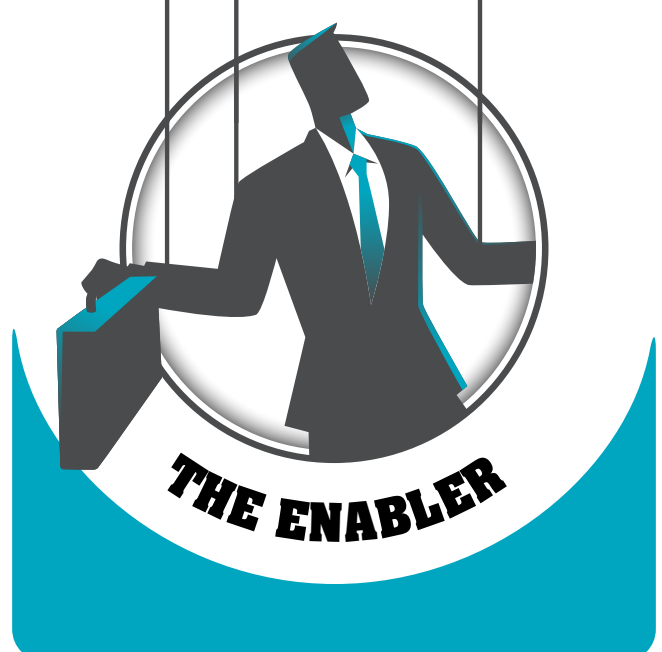
Other criminals The Phoenix can be linked to:



The director of a company/companies that is destined to be liquidated within a short period of time, or a shell company that has been set up with the intention of avoiding tax and other liabilities.

However, in some cases, straw directors are not complicit in serious financial crimes, instead they are best described as 'victims'.

One tactic criminals use is to pay vulnerable people such as people with mental illness, backpackers or people who are in desperate need of money to list them on company documents as directors; and in some cases criminals use people's names without them even knowing.



Professionals who use their skills, structures and networks to help facilitate serious financial crime.

Enablers can work in a wide range of professional roles such as lawyers, accountants, tax advisers, labour providers, service providers or bankers.

As enablers require advanced professional skills, as well as a network that facilitates interaction with other criminals, many may be older or more advanced in their careers.

How you can help:

- Keep an eye out for some of the common 'personas' and the warning signs of serious financial crime using the Serious Financial Crime Identikit developed by the Serious Financial Crime Taskforce (SFCT).