8 September 2026

A Chester Hill man, 37, was sentenced by the Paramatta District Court yesterday (7 September, 2026) to four years' imprisonment for his role in a multimillion-dollar fraud against the NDIS and Australian Taxation Office (ATO).

The man was also ordered to repay the Commonwealth $30,675 and will be eligible for parole after serving two years and four months' imprisonment.

This is the final sentencing under Operation Pegasus , an investigation into a criminal syndicate which operated across three companies to defraud the NDIS of millions of dollars in false claims, and made false claims for GST refunds to the ATO.

With yesterday's sentence, the six offenders have received a combined 31 years and four months' imprisonment.

The AFP, in partnership with the NDIA, AUSTRAC, Services Australia and the ATO, conducted operational activity across Sydney in April, 2021, resulting in the arrests of five men and one woman connected to the syndicate.

More than $2 million in suspected tainted assets were seized during the search warrants.

In 2022, the AFP-led Criminal Assets Confiscation Taskforce (CACT) obtained restraining orders over more than $6 million in property linked to the syndicate members, including bank accounts, cryptocurrency, luxury motor vehicles, gold, watches and jewellery.

Gold bullion, cash, jewellery, watches and two luxury motor vehicles worth about $1 million were forfeited to the Commonwealth in November, 2025. The proceeds of crime proceedings are ongoing.

The Chester Hill man was sentenced yesterday after being found guilty on 4 December, 2025, for:

- Two counts of dishonestly obtaining a gain from the Commonwealth, contrary to section 135.4(1) of the Criminal Code (Cth).
- One count of dealing with proceeds of crime, contrary to section 400.9(1) of the Criminal Code (Cth).

Five others have been sentenced in relation to Operation Pegasus:

- A Lidcombe man, 40, pleaded guilty to two counts of conspiring to dishonestly obtain a gain from the Commonwealth (ATO and NDIA), contrary to section 135.4(1) of the Criminal Code (Cth) and one count of dealing with property reasonably suspected of being proceeds of crime, contrary to section 400.9(1) of the Criminal Code (Cth). On 31 October, 2024, he was sentenced to six years and six months' imprisonment, with a non-parole period of four years.

- A Ryde man, 43, pleaded guilty to one count of conspiring to dishonestly obtain a gain from the Commonwealth (ATO), contrary to section 135.4(1) of the Criminal Code (Cth). On 31 October, 2024, he was sentenced to two years and 11 months' imprisonment, of which 12 months was to be served in custody before being released on a good behaviour bond.
- A Lakemba woman, 35, pleaded guilty to one count of conspiring to dishonestly obtain a gain from the Commonwealth (NDIA), contrary to section 135.4(1) of the Criminal Code (Cth). On 31 October, 2024, she was sentenced to three years and five months' imprisonment, with a non-parole period of 17 months.
- A South Granville man, 29, pleaded guilty to dealing in proceeds of crime worth $1,000 or more, contrary to section 400.7(2) of the Criminal Code (Cth) and dealing in proceeds of crime worth $10,000 or more, contrary to section 400.6(2) of the Criminal Code (Cth). On 14 September, 2022, he was sentenced by the Sydney Downing Centre Local Court to three months' imprisonment for one offence and six months' imprisonment for the other, with the sentences to be served by way of an intensive corrections order.
- A Merrylands man, 28, pleaded guilty to dealing in proceeds of crime worth $1,000,000 or more, contrary to section 400.3(2) of the Criminal Code (Cth). On 16 December, 2022, he was sentenced to three years' imprisonment, with a non-parole period of 18 months.

AFP Detective Superintendent Peter Fogarty said the AFP was unwavering in holding criminals to account, no matter how long it took.

"Criminal activity which seeks to exploit systems that support the community's most vulnerable is an affront to hard-working Australians who are doing the right thing," Det-Supt Fogarty said.

"This investigation is testament to the great work done by all those involved, and the close connection between our law enforcement and agency partners, to hold criminals to account."

A NDIA spokesperson said the outcome shows that even complex syndicates were no match for a coordinated multi-agency response.

"The NDIA is continually strengthening its capabilities to detect, disrupt and respond to fraud and working with partners to stay ahead of organised crime – anyone exploiting the NDIS will be caught," the spokesperson said.

"We act to protect participants and ensure NDIS funding goes where it is intended – to provide the supports that NDIS participants need and deserve."

ATO acting Deputy Commissioner Pennie Snowden said the outcome served as a warning to anyone thinking of defrauding the tax system.

"This offending exploited systems designed to support vulnerable Australians, and attempted to rob the community of essential services in the process," Ms Snowden said.

"If you deliberately defraud the government, you will be caught, and you will face consequences."

AUSTRAC National Manager Fintel Alliance Jon Brewer said the case demonstrated how financial intelligence played a critical role in identifying and disrupting serious fraud.

"This case shows that those who seek to commit fraud against government programs designed to help the vulnerable will be identified, disrupted and held to account," Mr Brewer said.

"Through the Fintel Alliance, AUSTRAC worked closely with the NDIA and our partners to identify key individuals, trace suspicious fund movements and improve the detection and reporting of NDIS fraud, supporting Operation PEGASUS from its earliest stages."

"Criminals who exploit government programs still need to move and hide their money. By following the financial trail and working closely with our law enforcement, agency and industry partners, we can help expose these networks and prevent further harm."

This matter was prosecuted by the Commonwealth Office of the Director of Public Prosecutions (CDPP).

Anyone with information about suspected fraud involving the NDIS should contact the NDIS fraud reporting and scams helpline on 1800 650 717. An interpreter service is available at 13 14 50. Or fill out the online NDIS Fraud reporting form.

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