



Net Worth Case Study Part I: Case Background

CASE INFORMATION:

John Carson is 45 years old and lives in North America. John is married to Sarah Carson and together they have two children. Both children are under the age of 5.

Sarah works part time as a receptionist at Exact Tax, a local accounting firm.

John's mother, Mary Carson, also lives with John and Sarah. Mary is retired and collects a small pension which is deposited into Mary's personal bank account. Mary appears to live financially independent from John and Sarah.

John is employed by the Ministry of Transportation (MOT). His daily responsibilities include updating the MOT database relating to vehicles that have been in an accident and written off by the owner's insurance company.

A confidential informant has said that John has been using his access to the MOT database in order to locate and purchase damaged vehicles, which are then shipped to an organized crime group in Europe. The informant has described the scheme as follows:

- Step 1:** The organized crime group steals a high end vehicle in the European market.
- Step 2:** John is contacted by the organized crime group and is informed of the color, make and model of the stolen vehicle.
- Step 3:** John uses his access to the MOT database to find a vehicle matching the color, make and model of the stolen vehicle that was recently written off by a local insurance company.
- Step 4:** John attends a motor vehicle auction where the insurance company sells the damaged vehicle. John purchases the damaged vehicle for several thousand dollars more than the vehicle is worth to ensure he is successful at the auction.
- Step 5:** John ships the damaged vehicle to the organized crime group in Europe where the vehicle stripped for all parts containing the vehicle identification number (VIN).



Step 6: The organized crime group in Europe then switches the parts from the damaged vehicle with the parts on the stolen vehicle, a process known as re-VINing. The re-VINed vehicle is then sold by the organized crime group in a foreign market as a used vehicle. If the VIN on the vehicle is ever searched by the local authorities, the VIN will trace back to a vehicle purchased at auction in North America and shipped legally to Europe.

Step 7: The organized crime group sends a wire transfer back to John in North America. The purpose of wire transfer is stated as being for the purchase of a used vehicle.

The informant has also provided information regarding a new home purchased by John, an expensive new car and lavish vacations taken by John and his family.

The investigation into John covers the period from January 1, 2021 to December 31, 2023 inclusive.

FOR YOUR ACTION:

In your breakout groups, determine the following:

- 1) Who will be included in the Net Worth Analysis?
- 2) What is the base year period for the Net Worth Analysis?