



# Case Management – Intermediate Programme Ostia September



## Case Management – What are the basics?

- Ability to lead
- Ability to manage
- Ability to be a supervisor - the CHEF
- Ability to analyse
- Ability for structural work
- Ability to adopt developements
- Ability to get in contact with people
- Ability to convince
- Ability to **TAKE DECISIONS**



## Way to lead/manage a team:

- Initial facts
- Establish case
- Establish Team
- Scheduling Investigation
- Supervising
- Reviewing
- Finishing



# Case Management International Co-op

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## German way to establish/lead/manage a team:

- Structured (follow the plan)
- Precise
- And success orientated



# Case Management International Co-op

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## Case Selection!

- Selection Criteria
- Emerging Issue – Criminal Organizations, VAT Fraud, Banking Sector, Tax Heavens, ....
- Public Concern – PEPs (politically exposed Person)
- Amount of tax-damage
- Joint investigations – combined investigations (police, customs, tax investigation, state security, ....)
- Availability of resources – you have to know what you are able to do, what you have therefore, how long you have it, time frame



## Investigator – Team Selection

- Team assignment “kings and knights”
- Skills available – analytical, innovative, bookkeeping, asset recovery, .....
- Leader assignment – leadership and management skills
- Current Workload– important for scheduling
- Initial plan of processes
- Involvement of prosecutor / Judge / Administration Manager



# Case Management International Co-op

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## Resources

- Money
- Facilities – office, technical stuff. IT, admin stuff,
- Location – “as near as possible to the fire”
- Support from other units –  
police/customs/special surveillance  
units/observation units/asset  
recovery/IT/.....
- Time



## International Co-Operations Aspects

- Needs concerning Inter Co-op
- How to approach the possibilities
- Vehicle to use
- What to have to think about before
- Next steps
- Who has to be informed/involved active or/and passive





# Case Management International Co-op

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## Investigation plan

- Time scheduling
- Preparation – movement, installation of “team”
- Pre-investigation steps – information gathering
- Team meeting schedule – “jour fix”
- Allocation of task – as precise as possible
- Documentation of investigation
- Reporting – reports
- Initial steps
- Detailed organizational structure – who, what, where, when, if not what’s then?
- Scheduling operational day – THE DAY



# Case Management International Co-op

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## Investigation running

- Update – be informed JOUR FIX
- Be aware of every step – you take the decisions (INVICTUS!)
- Reviewing of the investigation
- Adopt new developments to the ongoing investigation
- Support of the team
- Steady contact to the Prosecutor / Judge – inform them
- “Success surveillance”
- Try to follow the PLAN – but stay flexible
- “Throw the anchor if necessary” – the first 50 % of the damage is normally proved within the first six months of the investigation – for the rest you need three-time as long to find and hopefully prove it



## End of the investigation

- Final report preparation
- Final steps (upcoming while writing the report)
  - have to be discussed with prosecutor / judge
- End of investigation
- Reviewing!
- Team meeting
- Analysis of the investigation, success, progressing, decisions, ..... – be self critical
- **“Team Party”** – so important be part of it



# Any Questions?????

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I've been afraid of that!!!!!!!



Thank you kindly for your  
attention!



# Investigative Techniques Intermediate Programme Ostia 2022



# Investigative Techniques

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## Definition:

1. Every measure/action/handling to gather information or evidence
2. Every measure/action/handling to avoid that investigation is endangered
3. Every measure/action/handling to recover assets



What kind of investigative techniques to you know?

.....?

.....?

.....?

.....?

.....?

.....?



Techniques can be used covered or open!  
Important fact to think about in advance!

- When and in which way we use each techniques!
- Why we don't use a single techniques?
- Who we have to inform about the use?
- Who has to approve the use?





Techniques can be used covered or open!  
Important fact to think about in advance!

- What are the upcoming costs / required resources/etc. if we use it?
- Any obstacles in view?
- Do we need special support??
- Any other key-facts important?



## Some techniques highlighted!

what to think about, who, when, how, adv.  
– disadvantages

- Arrests
- Searches
- Wiretapping,
- Surveillance,
- Data Mining
- .....



## General thoughts to keep in mind before use of any techniques!

- Time
- Costs
- Human resources
- Material needed
- Location
- Support necessary
- Prediction of success – visa all mentioned above

# **International Co-Operation**

## **Ostia September**

### **GENERAL OVERVIEW**

# **Exchange of Information (abroad):**

- **Available or obtainable Information**
- **of a state / country / jurisdiction**
- **is transmitted**
- **to be used within an investigation / admin-  
process**
- **of another foreign state / country /  
jurisdiction**

# **Requirements for Exchange of information:**

**in general**

✓ **agreement / contract / convention / .....**

✓ **bilateral or multilateral**

**between the exchanging parties (states/...)**

**If there is no agreement or anything else???**

**What to do?**

# **Exchanging parties:**

- **States**
- **Bodies of states**
- **Agencies**
- **Institutions / Organizations**

## **By request / or spontaneousley:**

- **usually in written form / template**
- **transferred by mail / email / fax / ....**
- **under the national regulations (channel / admin / agencies / Ministry /....)**



# **Request has to be:**

- **accepted and**
- **approved**

**by the requested party (abroad)**

## **Information that is / will / be exchanged:**

- **depends on the agreement (purpose)**
- **depends on availability**
- **depends on the jurisdiction of requested party (regulations/laws/...)**
- **depends on measures allowed to obtain the information**

# **Time perspective:**

- **depends on the agreement**
- **depends on availability of information**
- **depends on measures possible to prevent the exchange (complaint / ...)**

# **What are you allowed to do with the exchanged Information?**

- **depends on the agreement (tax matters / criminal matters / ...)**
- **usually for the purpose requested for**
- **sometimes a general use is allowed or can be approved (by separate request)**

# **Request for administrative purposes:**

- **usually in an administration procedure**
- **regulations of the admin-procedure have to be fulfilled**
- **no further approvement necessary**

## **Request for / in criminal investigations:**

- **have to have permission for criminal measures under national laws (warrant / search warrant / confiscation / ....)**
- **criminal measures have to be approved by the requested jurisdiction under its own laws**

Any Questions?????

I've been afraid of that!!!!!!!




Thank you kindly for your  
attention!

# **International Co-Operation Ostia 2022 LEGAL ASSISTANCE**



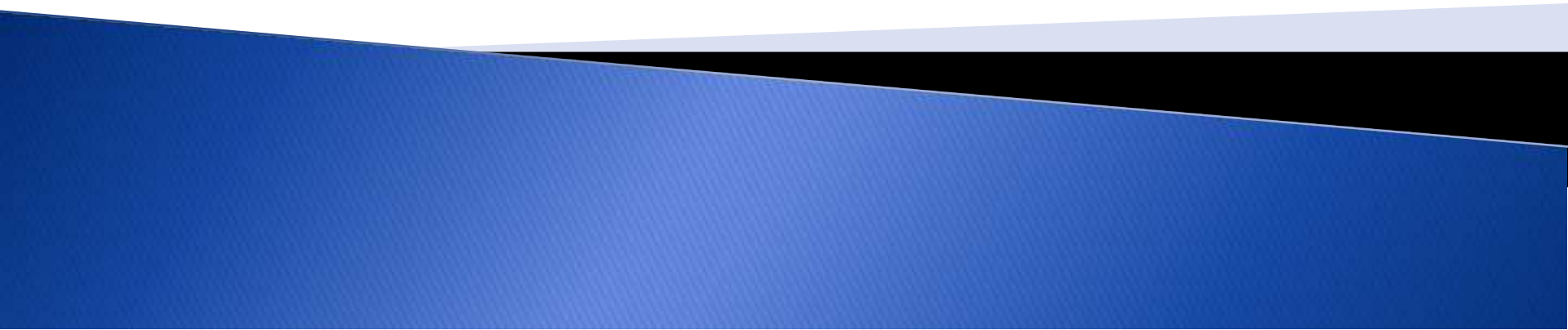
## **What is Legal Assistance:**

- **Providing or obtaining assistance / support in**
  - **measures in investigation or prosecution procedures**
  - **obtaining (exchange) information**
  - **based on legal agreements / contracts / conventions**
  - **between states**
  - **purpose of criminal prosecution / investigation**
- 

## **Requirements:**

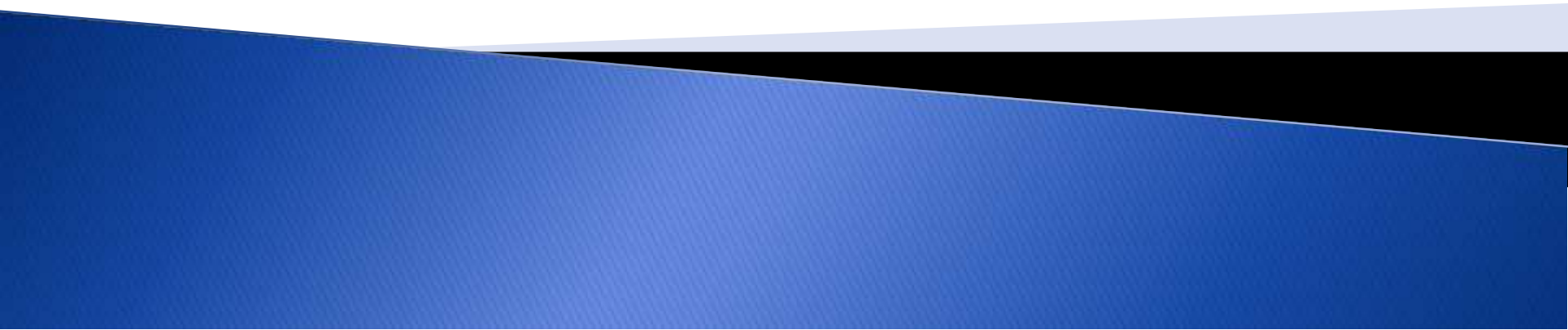
- **Agreement between states (bilateral or multilateral) that regulates the mutual assistance in criminal matters (legal base), additionally permit by national law**

## **Purpose:**

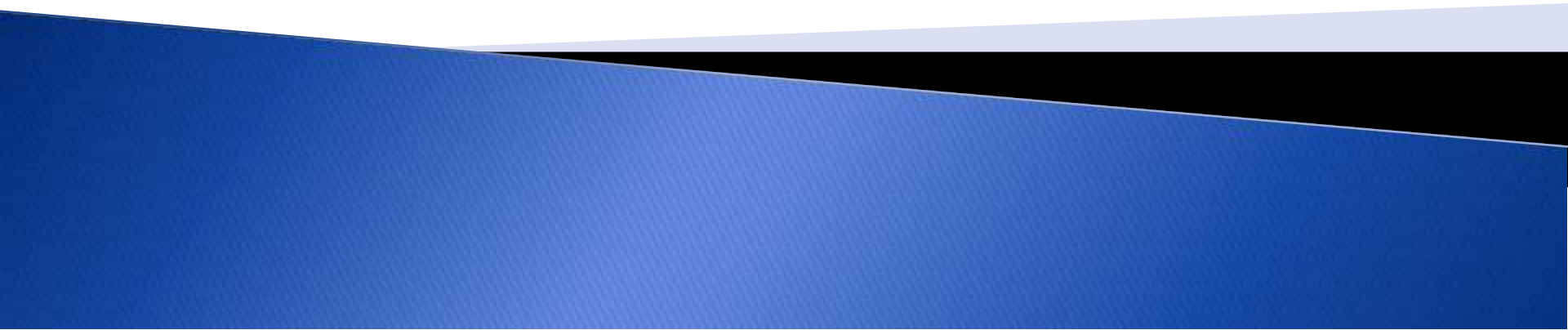
- **mutual assistance in investigations or court proceedings**
  - **enhance the exchange of information**
  - **to combat criminal activities**
  - **and / or confiscation / seizure of proceedings**
- 

## **Legal Definition of Mutual Legal Assistance:**

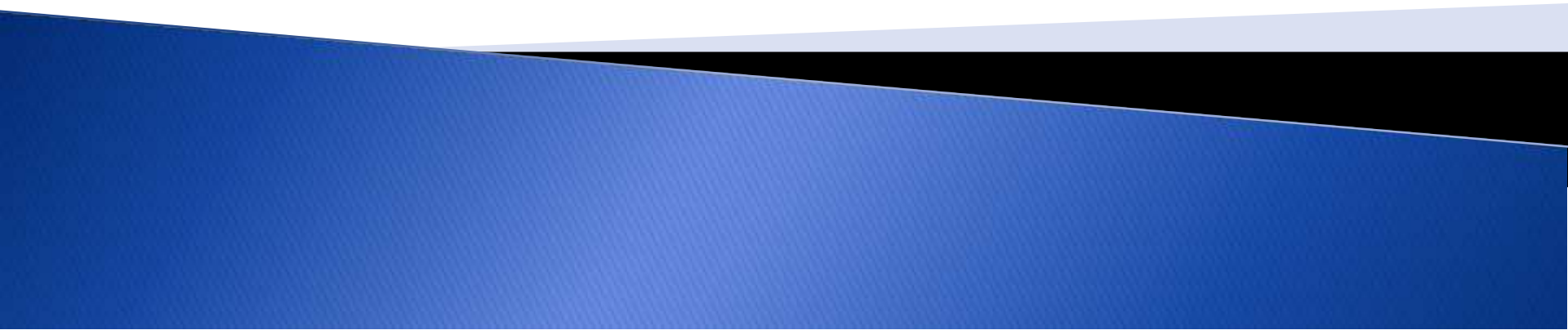
“Mutual Legal Assistance is the provision of assistance on a formal legal basis, usually in the gathering and transmission of evidence, by an authority of one country to an authority in another, in response to a request for assistance. "Mutual" simply denotes the fact that assistance is usually given in the expectation that it would be reciprocated in like circumstances, although reciprocity is not always a precondition to the provision of assistance”



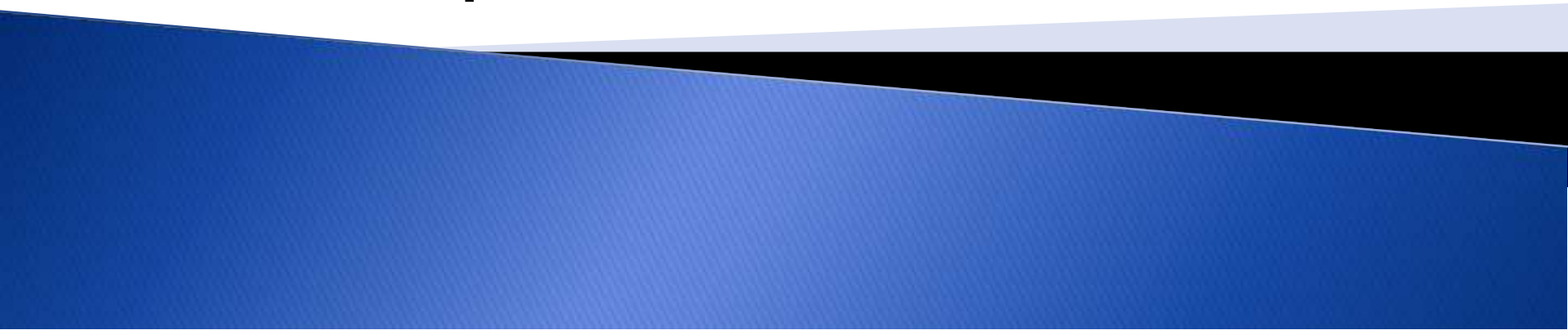
# **Mutual Legal Assistance**

- provision of assistance on a formal legal basis
  - in the gathering and transmission of evidence
  - by authorities of countries
  - in response to a request for assistance.
  - by usually promised reciprocity
- 

# **What is basically possible?**

- **Taking evidence or statements from persons**
  - **Assisting in the availability of detained persons or others to give evidence or assist in investigations**
  - **Effecting service of judicial documents**
  - **Executing searches and seizures**
  - **Examining objects and sites**
  - **Providing information and evidentiary items**
  - **Providing relevant documents and records**
- 

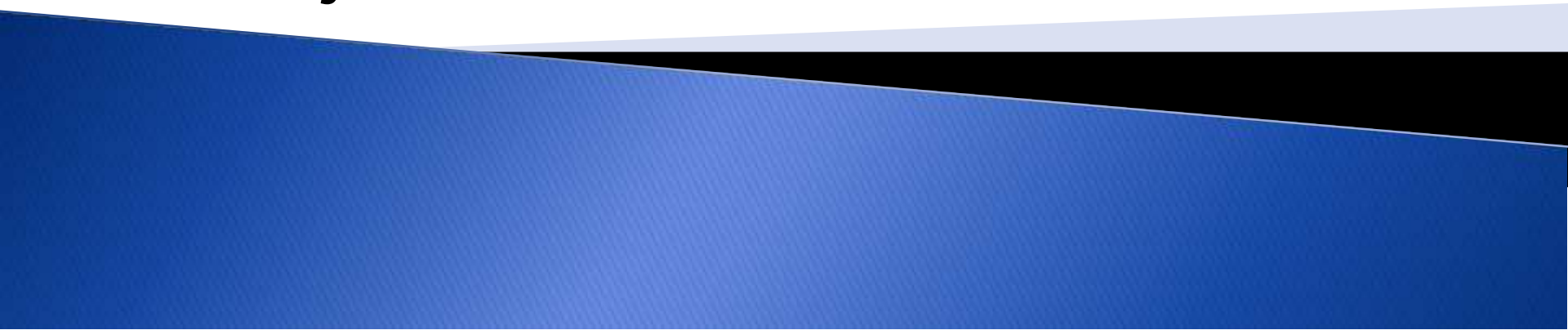
# **What is basically not possible, or has to be / is usually regulated additionally?**

- **arrest or temporary detention of person with a view to extradition**
  - **enforcement of criminal judgments imposed in the requesting State except as permitted by law in the requested State**
  - **transfer of persons in custody to serve sentences**
  - **transfer of proceeds in criminal matters**
- 

## **Formal requirements:**

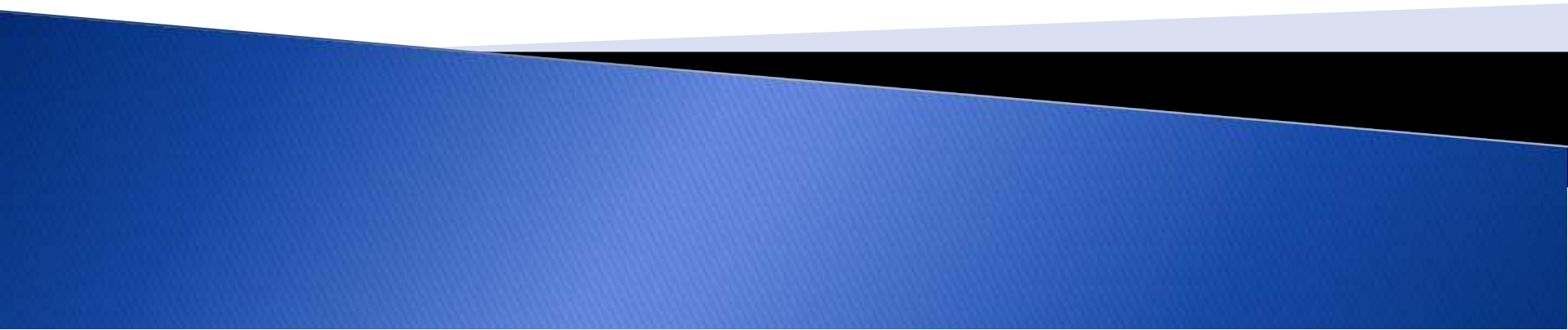
- **request / or spontaneousley**
- **usually in written form / template**
- **transferred by mail / email / fax / ....**
- **under the national regulations (channel / admin / agencies / Ministry /....)**
- **judicial order / warrant / searches /... - if necessary in the requesting state**

## **Formal requirements:**

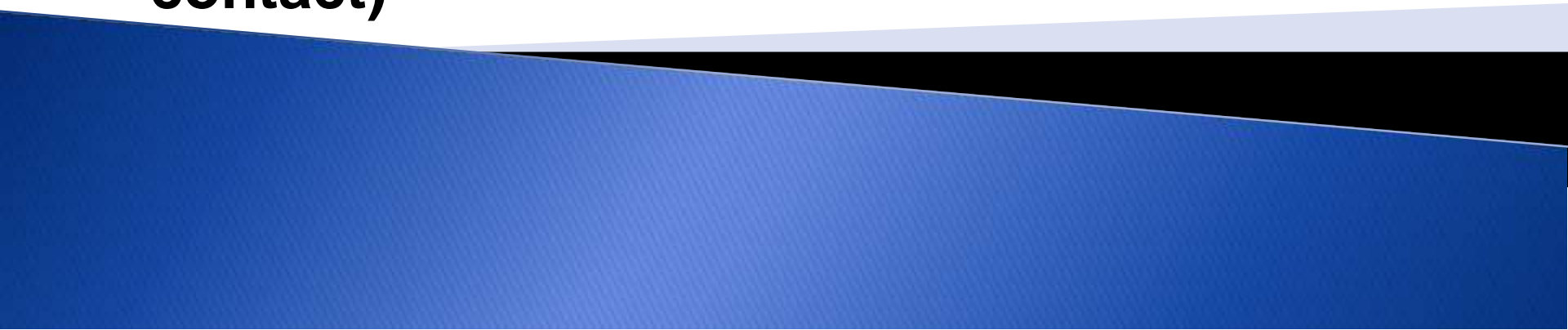
- **translation into language of requested state**
  - **detailed description of the criminal activities**
  - **detailed description of the measures / information requested for**
  - **with judicial order / warrant / searches**
- 



## **Formal requirements:**

- **if needed request for participation in measures in requested state**
  - **designation of competent investigator or / and prosecutor**
  - **listing of contact details**
  - **if needed concept of time / perspective / wish of day of execution**
- 

## **What happens after request was send abroad:**


- **request will be approved (worst case rejected) by the competent authority – message back**
  - **execution will be allocated to the competent (in best case) law enforcement agencies**
  - **preparation and pre-investigation in case of request for criminal procedures**
  - **determination of time of execution (in case of participation of requesting investigator – contact)**
- 

**in the requested state (if necessary):**

**depends on national legislation / law !**

- **involvement of a judge / court for  
approvement of criminal measures like  
warrant order, search order, ....**

## **The Day(s) (of execution):**

- **execution of requested measures**
  - **collection of data**
  - **seizure of proceeds if requested and approved (allowed under the agreem.)**
  - **seizure of evidence**
  - **arrests and statements, .....**
  - **report of execution is usually written**
- 

# **The Day(s) (of execution):**

**In case of a participation within the execution be aware of**

- **basically you will have no own „rights“**
- **to give orders**
- **to do searches**
- **to ask questions**
- **you are just an observer / adviser**


**BUT !!!**




# **The Day(s) (of execution):**

**investigators / colleagues abroad will usually be more than thankful for support**

**as**

- **it is not their own case**
  - **they obviously do not have the necessary information background**
  - **they don't want to do more than needed in case of a lack of information**
- 

## **The Day(s) After:**

- **termination of the request procedure is prepared**
  - **report, evidence, information, .... will be prepared for transmission**
  - **If needed judge is involved**
  - **time of complaint – if possible – against measures (has to be awaited before transmission is allowed)**
- 

# **Following the transfer / exchange of information:**

## **Transmission and transmission report includes usually:**

- **description of executed measures / procedures storyboard**
- **list of evidence**
- **witness statements if requested for**
- **description of the allowed use of information**



Any Questions?????

I've been afraid of that!!!!!!!



Thank you kindly for your  
attention!

# **International Co-Operation Ostia 2022 TIEAs**

# History of TIEAs

**1996: G7 States and OECD Memberstates have criticized the economical competition chances caused by differences in taxation**

 **lack of Information Exchange strengthens taxfraud**

**Since 2002: OECD-TIEA-Model-Agreement!  
Implementation of socalled black, white and grey lists of tax havens (by OECD)  
to ensure an appropriate taxation**

**Agreement between states (bilateral or multilateral)**

**Regulates the mutual assistance in tax or criminal matters**

**Purpose:**

**draw level in economical competition chances**

**determine harmful tax practices**

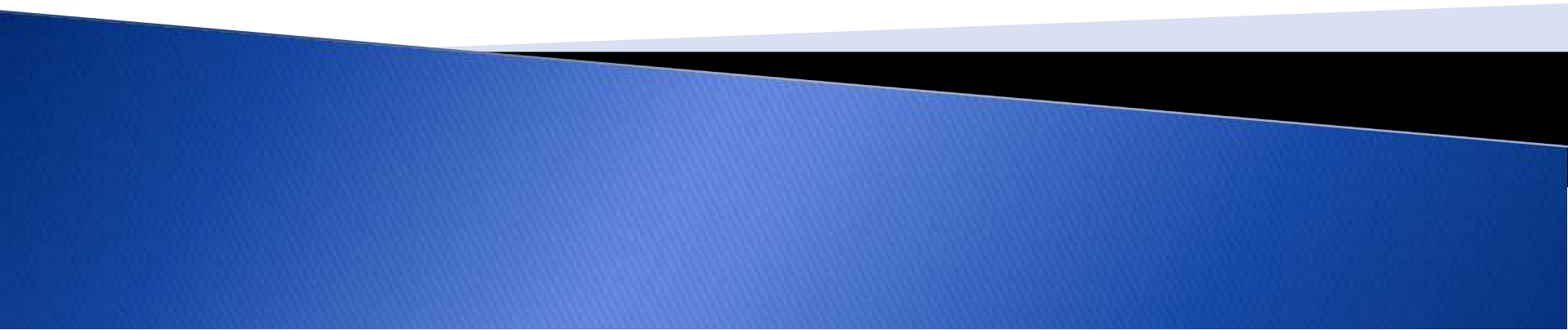
**Differences to tax convention to avoid double taxation:**

**TIEA contains no rules to avoid a double taxation**

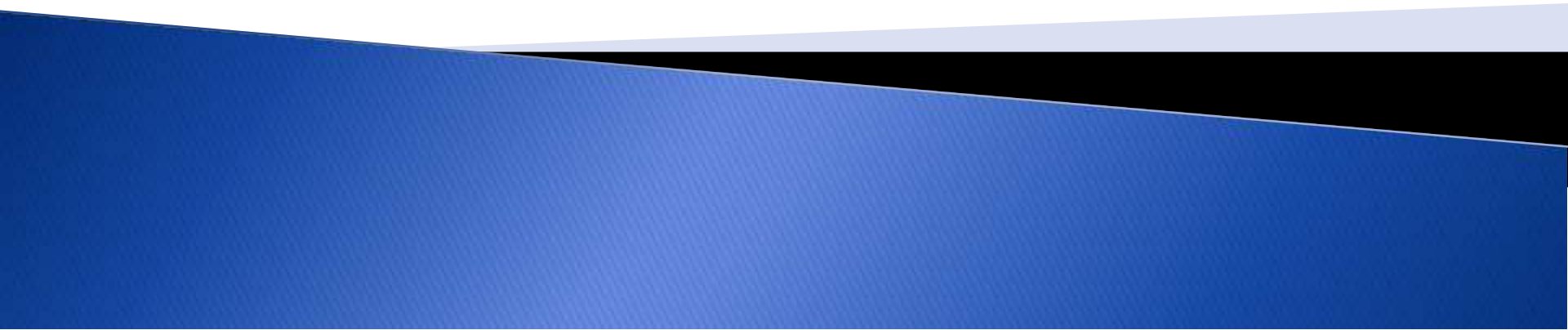
**both agreements are possible at the same time**



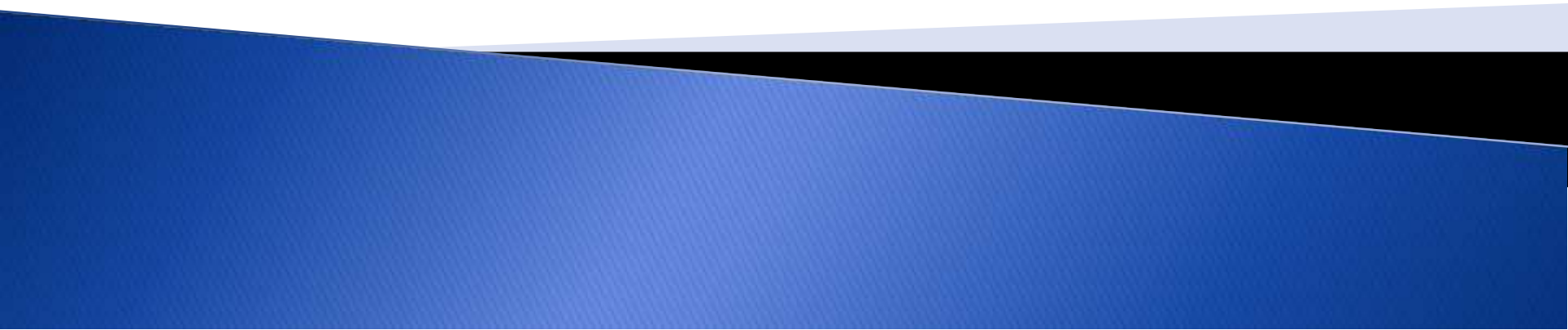
# **Regulation of the TIEAs:**

- **exchange of information**
  - **by requests** **or**
  - **spontaneously**
- 

# **Regulation of the TIEAs:**

- **exchange only possible in the taxes covered by the agreement**
  - **e.G. direct / indirect taxes (taxes of income / capital / wealth / estate / VAT ...)**
- 

# **Regulation of the TIEAs:**

- **requests only by the competent authorities, listed in the TIEA**
  - **information has to be necessary**
  - **for taxation / investigation of tax evasion & tax fraud / prosecution (depends on TIEA)**
- 

## **Before requesting:**

- **usually all available means of gathering / obtaining information should be exhausted!!!**
- **if so  requests are possible**



# **Request:**


**Formal requirements usually are**

- **written format (form / template on OECD)**
- **appropriate language**
- **personal data of subject/s**
- **description of the facts (the more you give / is allowed to provide the better is)**
- **description of requested information with facts of the intended use**

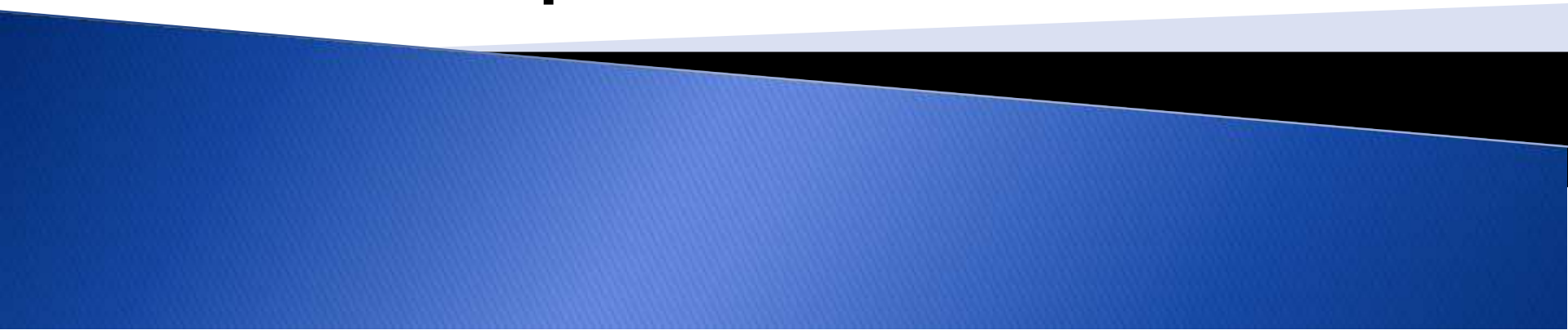
# Possibilities of measures (undertaken by requested party) depend on

- jurisdiction
- regulations within the TIEA
- availability
- e.G. tax audit, bank statements, .....
- ***BUT NO CRIMINAL MEASURES AS  
WARRANTS / SEARCHES / .....***

# TIEAs also list regulations concerning:

- **deadlines for answering**
- **confidentiality**
- **mutuality of exchange of information**
-  **no one-way-street**

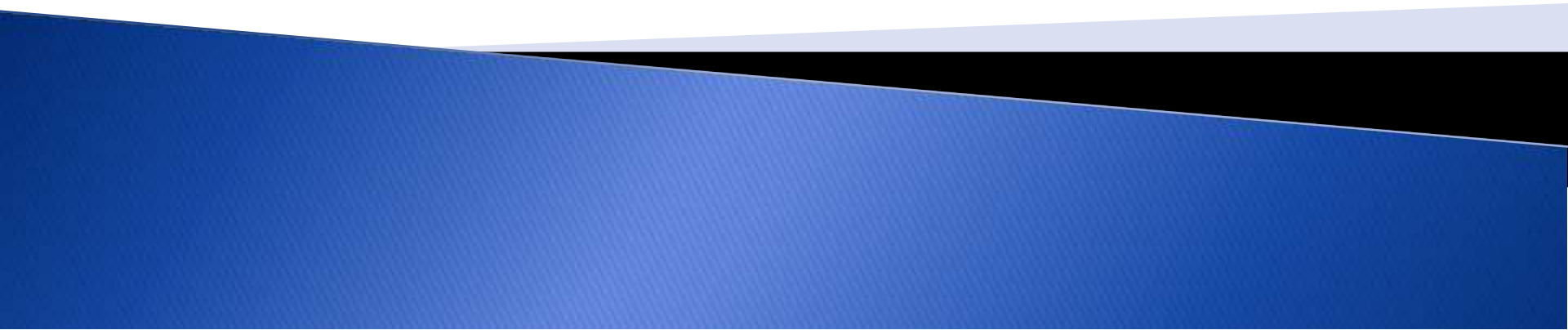
## **special regulations within TIEAs possible:**

- **some TIEAs regulate that the subject of the request has to be informed before the request is send abroad**
  - **if so then usually only in tax matters**
  - **not in tax investigation procedures**
  - **you have to check before requesting to be aware of procedures - otherwise ?!?**
- 

**Where do we find the TIEAs?**

**e. g. on the**

**Webpage of the OECD**



Any Questions?????

I've been afraid of that!!!!!!!



Thank you kindly for your  
attention!

## **Benford's Law**

This “Law” is focused on the “relative rate” of figures at the beginning of numbers



# Benford's Law

**Naturally there are more small things than big things !!**

In the whole world there exist  
more sand as pebbles  
more pebbles as stones  
more stones as rocks  
more rocks as mountains  
more mountains as mountain-ranges



# Benford's Law

**Frank Benford**

**Physiker, USA**

**Benford's Hypothese:  
1920**

**There exist more numbers with a small figure  
than with a high figure (at the beginning)**

# Benford's Law

Benford did more than 20.000 single checks to proof his thesis!:

- Results of the American Baseballleagues
- air pressure figures
- weight of atoms
- Invoices of energy on Solomon Islands
- articles of Reader`s Digest
- numbers of inhabitants of countries, cities ...
- bookkeeping of enterprises

....

## Result:

**The „1“ was always the leading figure  
the „9“ always the last one**

# Benford's Law

The spread-rates for the “first figure” were

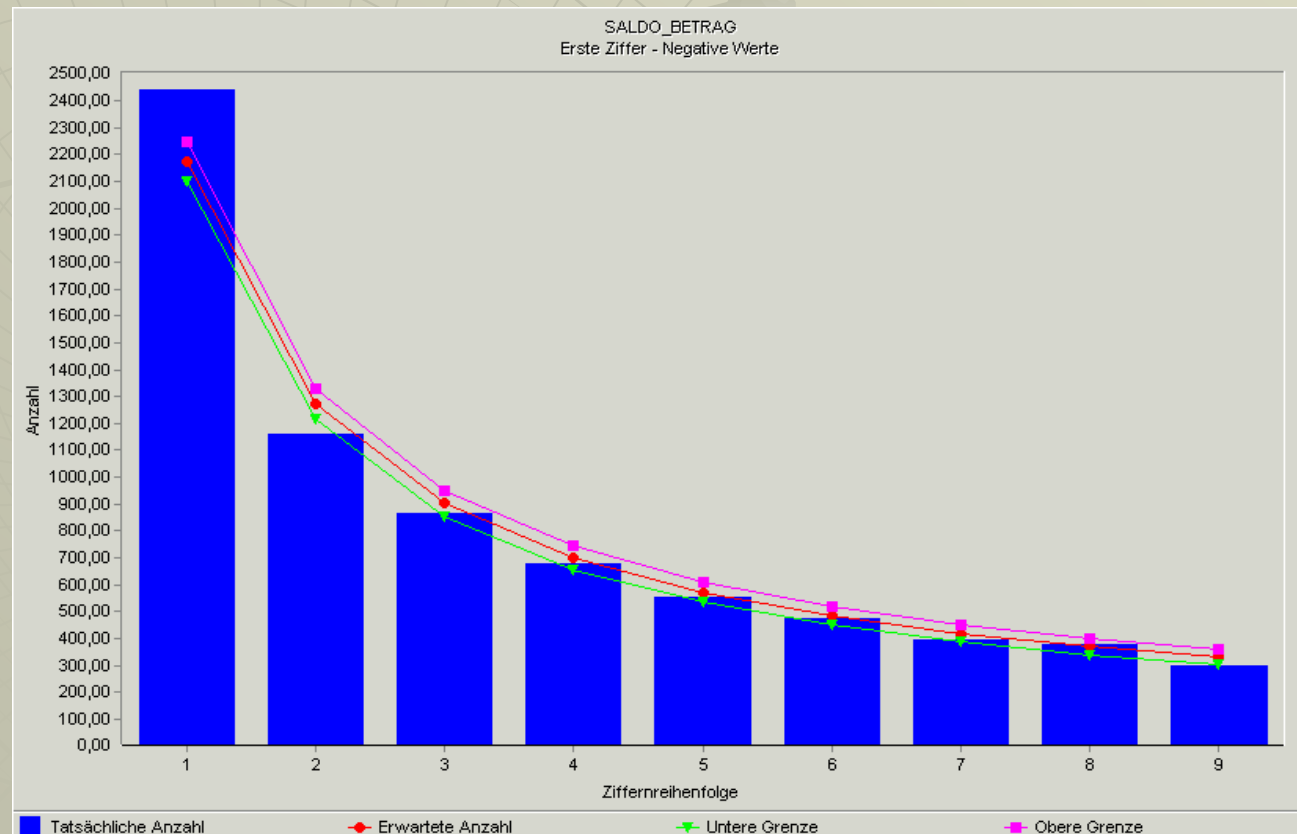
<b>Figure</b>	<b>Rate</b>
<b>1</b>	<b>30,10 %</b>
<b>2</b>	<b>17,60 %</b>
<b>3</b>	<b>12,49 %</b>
<b>4</b>	<b>9,69 %</b>
<b>5</b>	<b>7,91 %</b>
<b>6</b>	<b>6,69 %</b>
<b>7</b>	<b>5,79 %</b>
<b>8</b>	<b>5,11 %</b>
<b>9</b>	<b>4,57 %</b>

**Benford's Law:**

**every 3. number**  
**starts with a „1“**

# Benford's Law

## Grafik: 1. Rate-Test

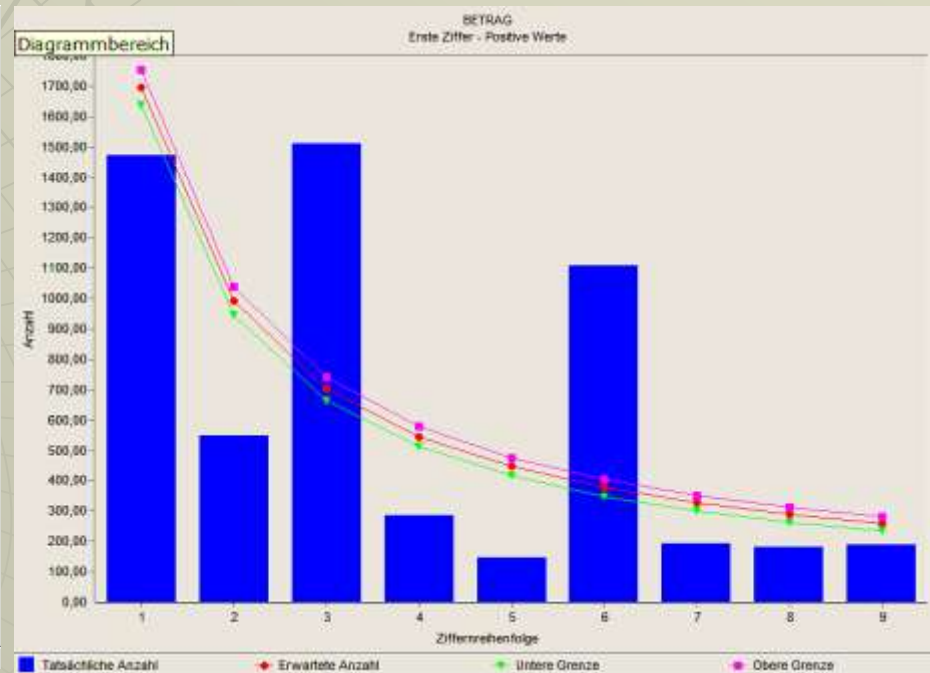
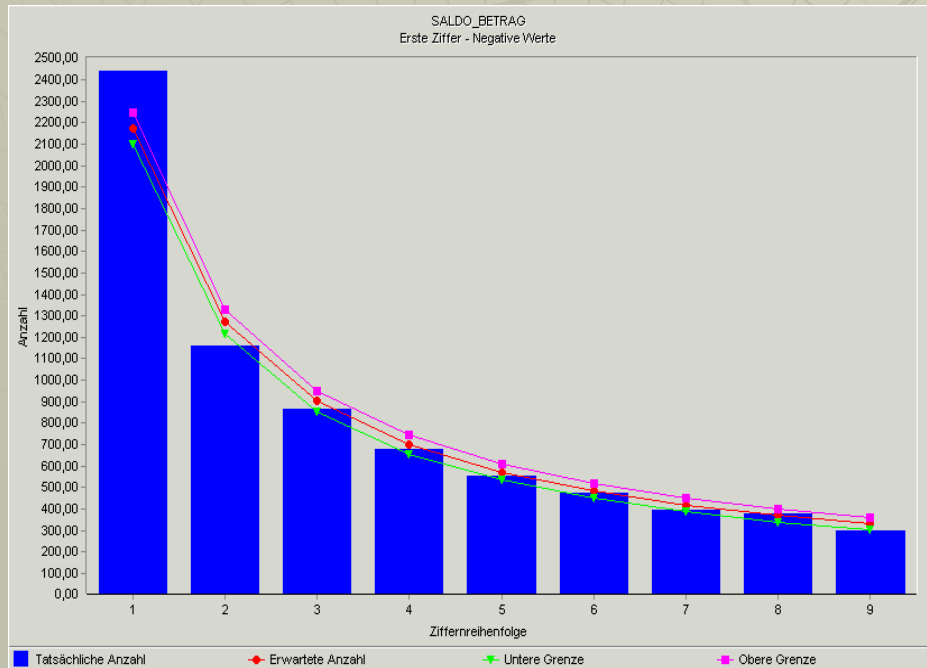


# Benford's Law

## Grafik: 1. Rate-Test

normal

noticeable





# Benford's Law

**Is Benford's law always right ?**

**law of maths  
or  
freak of nature**

**Example Cars**

# Benford's Law

**Benford's Law is always right for naturally formed figures / databases**

Figures, following the nature-laws as:

Numbers of inhabitants

Length of all rivers of the world

Size / amount of water in all seas/lakes/oceans

Stock-courses

Booking numbers

Turnover

Trading prices



## Relevanz of Units

Benford's Law is universal

**Change of Units doesn't influence the rate!**

**Km – Miles – Morgen – Zoll – Inch – Acr  
EUR - BAT- \$ - Yen**

# Benford's Law

**The Benford check is an own automatic tool within the analyse-programs IDEA/ACL (and others)**

**After import of databases you can run the check automatic by allocating the source  
– “a thing of seconds”**

**BUT BENFORD-CHECK IS NOT THE PROOF OF THE FRAUD IT'S THE ENTRY FOR FURTHER CHECKS**

Benford`s Law

**Benford`s Law**

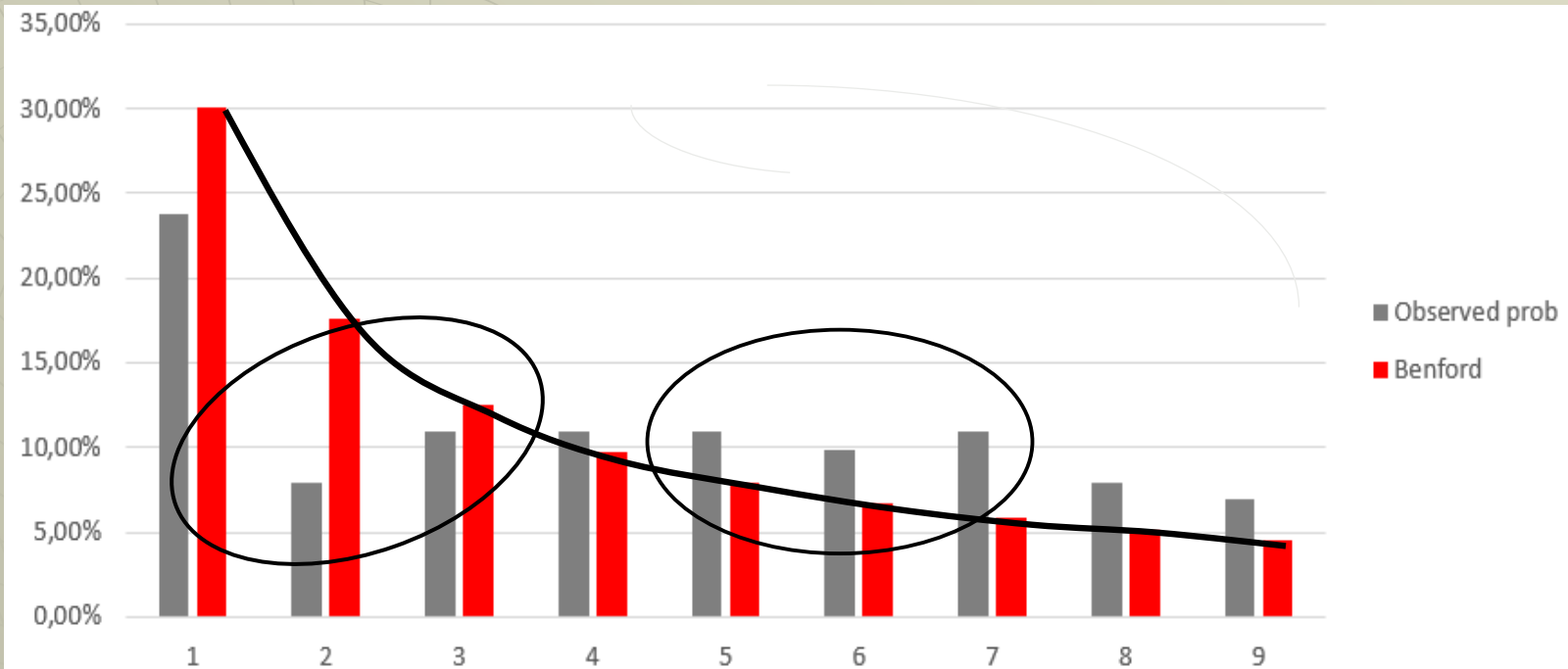
**Examples**

# Wai San Loh



1	1001	51	6490	101	1881
2	1234	52	4690		
3	1188	53	9640		
4	1008	54	9188		
5	2222	55	8986		
6	3333	56	7311		
7	4444	57	1137		
8	5555	58	1173		
9	6666	59	3711		
10	7777	60	1301		
11	8888	61	3101		
12	9999	62	1103		
13	5526	63	1417		
14	1688	64	1714		
15	1026	65	1174		
16	6210	66	1147		
17	2879	67	3414		
18	9459	68	3441		
19	9813	69	1344		
20	9022	70	3114		
21	1261	71	5678		
22	8359	72	8765		
23	7817	73	7856		
24	6693	74	8756		
25	5529	75	5703		
26	6351	76	3705		
27	3866	77	7530		
28	7731	78	3075		
29	5980	79	4617		
30	8477	80	1746		
31	9801	81	6417		
32	5700	82	6471		
33	7500	83	7416		
34	4812	84	7461		
35	6090	85	1614		
36	2757	86	1164		
37	1122	87	1146		
38	2233	88	4614		
39	4455	89	4616		
40	7788	90	4617		
41	8899	91	4618		
42	2211	92	4619		
43	3322	93	5001		
44	5544	94	5002		
45	6655	95	5010		
46	7766	96	6010		
47	8899	97	2019		
48	4710	98	2022		
49	1276	99	2020		
50	3873	100	1991		

# Benford's Law



## Results

Testing goodness of fit to Benford's law

Null hypothesis: data is described by Benford's law



**I am more than 95% sure there is something wrong**



# Benford's Law

# Benford's Law

Number	Count	Observed prob	Benford	Chi square values
1	24	23,76%	30,10%	1,3488868
2	8	7,92%	17,61%	5,3837113
3	11	10,89%	12,49%	0,2076704
4	11	10,89%	9,69%	0,1500993
5	11	10,89%	7,92%	1,1274012
6	10	9,90%	6,69%	1,5509684
7	11	10,89%	5,80%	4,5155688
8	8	7,92%	5,12%	1,5541295
9	7	6,93%	4,58%	1,2241097
Number of Data Points		101		
ChiSquare Value		17,063		
Critical Thresholds for ChiSquare Tests (8 degrees of freedom)				
95 percent		15,5073		
99 percent		20,0902		

# Group



# Benford's Law

7	1	5	6
1	9	8	9
1	9	7	9
7	5	2	0
7	5	3	0
1	2	2	4
8	8	8	8
1	3	3	1
8	7	4	6
0	0	0	1
0	0	0	7
1	0	0	8
9	9	9	9
1	2	1	2
1	0	0	0
0	6	7	8
0	3	0	6
7	7	2	7
5	5	9	9
8	8	7	7
2	2	1	1
9	9	2	5
3	3	1	2
4	4	8	5
4	9	8	8
7	7	7	7
1	1	1	1
3	4	5	6
7	6	5	4
0	4	4	8
1	4	0	3
3	0	1	6
0	9	9	9
1	9	0	8
0	5	3	7
1	2	1	4
1	9	0	6
3	3	6	9
9	8	7	6
5	4	3	2
1	3	3	3
1	5	0	6
1	8	7	2
6	3	1	5
1	2	1	9
8	1	7	3
4	2	5	2
0	3	2	9
1	7	0	1
2	7	0	8
8	1	8	8

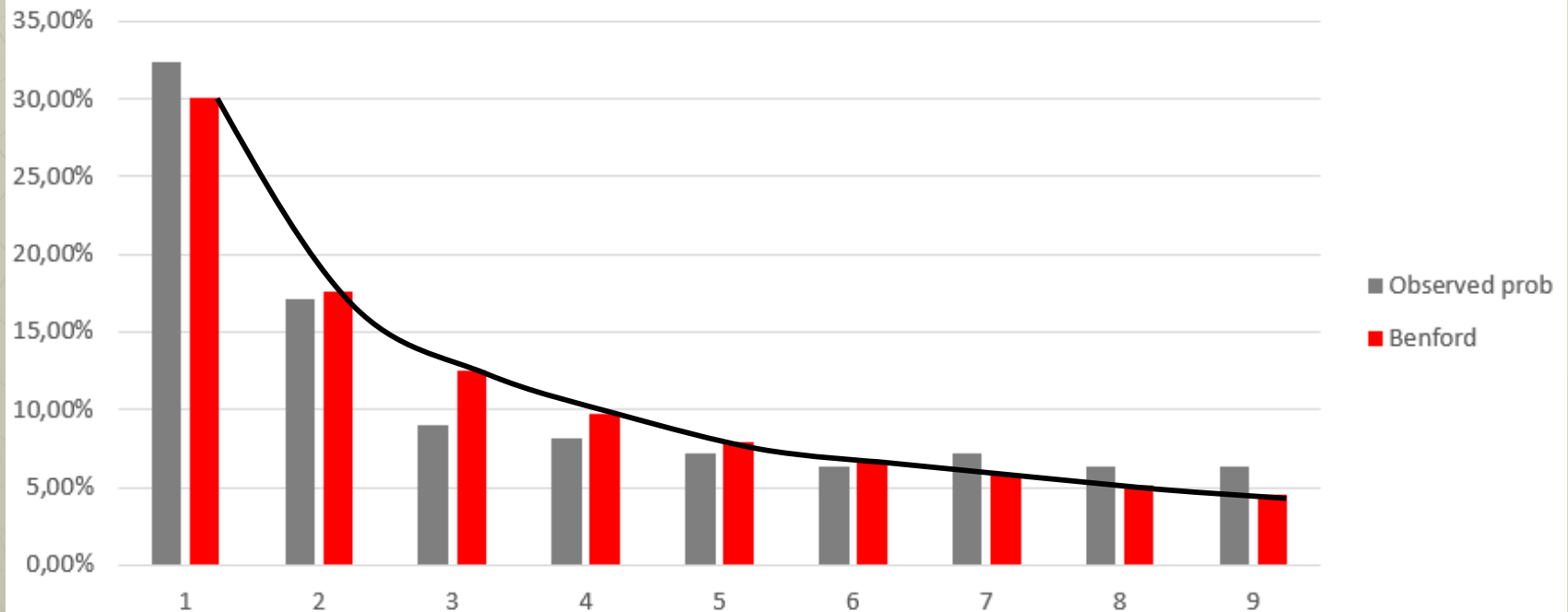
1	1	9	9
1	9	2	1
1	8	8	8
1	9	8	4
2	3	5	6
6	7	1	0
7	5	8	6
5	4	1	0
1	9	9	0
2	0	0	2
2	0	0	8
1	4	6	3
7	6	9	4
5	5	7	7
8	9	8	8
5	2	5	8
6	4	8	7
1	7	7	1
4	3	6	9
1	9	0	8
2	0	1	9
3	5	1	2
0	1	0	2
4	0	8	8
2	0	2	0
1	8	7	6
1	3	8	8
1	9	4	5
1	9	6	8
1	9	9	1
4	9	5	4
1	5	8	6
9	7	7	6
2	7	7	1
7	7	1	7
2	7	7	2
5	2	0	4
1	8	0	8
0	8	0	8
9	5	7	9
6	9	2	7
1	0	2	1
1	5	0	5
9	5	9	7
1	7	1	0
9	6	8	8
7	3	3	3
4	5	3	6
2	6	2	2

2	3	3	4
6	6	4	2
3	8	6	6
4	3	3	6
2	0	2	0
2	3	3	4
6	6	4	2
3	8	6	6
4	3	3	6
2	0	2	0
2	3	3	4
6	6	4	2
3	3	3	3

1	7186	50	8188	99	4336
2	1989	51	1199	100	2020
3	1979	52	9231	101	2334
4	7520	53	1888	102	6642
5	7530	54	1984	103	3866
6	1224	55	2356	104	4336
7	8888	56	6710	105	2020
8	1331	57	7986	106	2334
9	8746	58	5410	107	6642
10	1001	59	1990	108	3866
11	2007	60	2002	109	4336
12	1008	61	2008	110	2020
13	9999	62	1463	111	2334
14	1212	63	7694	112	6642
15	1900	64	5877	113	3333
16	678	65	8888		
17	306	66	5258		
18	7727	67	6787		
19	5599	68	1771		
20	8877	69	4369		
21	2211	70	1900		
22	9925	71	2019		
23	3312	72	5152		
24	4485	73	8102		
25	4988	74	1408		
26	1111	75	2020		
27	1111	76	1876		
28	3456	77	1388		
29	1654	78	1945		
30	448	79	1968		
31	1963	80	1991		
32	5016	81	7954		
33	2194	82	1586		
34	1908	83	9776		
35	1214	84	2771		
36	1906	85	7717		
37	3369	86	2772		
38	9876	87	5204		
39	5432	88	1808		
40	1333	89	808		
41	1503	90	9579		
42	1872	91	6927		
43	6345	92	1022		
44	1329	93	5055		
45	8179	94	9597		
46	4252	95	1357		
47	329	96	2710		
48	1701	97	9866		
49	2709	98	3333		



# Benford's Law



## Results

Testing goodness of fit to Benford's law

Null hypothesis: data is described by Benford's law

Cannot reject Null Hypothesis I am not 95% sure there is something wrong

Cannot reject Null Hypothesis I am not 99% sure there is something wrong

# Benford's Law

Number	Count	Observed prob	Benford	Chi square values
1	36	32,43%	30,10%	0,2000846
2	19	17,12%	17,61%	0,0152592
Vertikal (Wert) Achse	10	9,01%	12,49%	1,0789410
4	9	8,11%	9,69%	0,2869839
5	8	7,21%	7,92%	0,0708498
6	7	6,31%	6,69%	0,0250087
7	8	7,21%	5,80%	0,3794620
8	7	6,31%	5,12%	0,3078356
9	7	6,31%	4,58%	0,7264952
Number of Data Points	111			
ChiSquare Value	3,091			
Critical Thresholds for ChiSquare Tests (8 degrees of freedom)				
95 percent	15,5073			
99 percent	20,0902			