



## MAJOR CASE MANAGEMENT CASE STUDY PART 1

### CONTEXT:

You are a criminal investigator in the Criminal Investigations Program of the Corada tax administration.

### LAWS OF CORADA

Please refer to the document titled “Corada Revenue Services VAT Overview” in order to understand the details of how the Value Added Tax (VAT) in Corada is administered. Some specific items to keep in mind are as follows:

- A value-added tax (VAT) of 10% is mandated by businesses on all products and services with the exception of several zero-rated items, including exports to foreign countries;
- All VAT paid by the businesses on any cost of sales or operational expenses is recoverable by each business, meaning that the difference between the VAT charged to clients and VAT paid on expenses is the amount payable to the federal government on a monthly, quarterly or yearly basis;
- Your investigative unit is, under normal circumstances, required by law to complete an investigation within one year of executing search warrants. If this is not possible, a reasonable explanation as to the complexity of the case is required;
- In Corada, tax investigations and tax audits are conducted by distinct and separate groups;

### REFERRAL TO INVESTIGATIONS UNIT

You’ve recently been assigned to investigate Art Centre Export Ltd. (ACEL). This case was referred to the criminal investigations program from the audit division. For details on the referral please review the document titled “MCM Case Study Preparation”.

## FOR YOUR ACTION:

### *In your breakout group(s):*

- **RESPOND** to the question(s) assigned to your group. Note: if you make any assumptions, please specify what they are.
  - Group 1 - Based on what you know about this case would you consider it a major case? State reasons why or why not.
  - Group 2 - Would you use a team approach to investigate this case? State reasons why or why not.
  - Groups 3 & 4 - Describe 2 challenges that you foresee in conducting this investigation and outline how you might respond to them.
- **DESIGNATE** a presenter who will provide a presentation to the class outlining your groups findings.

## HANDOUTS:

- Corada Revenue Services VAT Overview
- MCM Case Study Preparation