

Joint Chiefs of Global Tax Enforcement – Tackling Tax Crime Together

Key discussion points

- The global scale of tax evasion crime
- J5 – Why Was It Established?
- J5 Priorities and Action Groups
- Current J5 Activity
- What the J5 will achieve?
- Potential future collaboration

Tax crime is a global problem that needs a global solution.

The J5 was formed to lead the fight against international tax crime and money laundering, including tackling crypto-currency threats; targeting those who enable global tax evasion.

<https://tv.ato.gov.au/ato-tv/media?v=bd1bdiunhsxm4>

Video – 2mins

POLL



- Prior to today were you aware of the J5?
- Is your country a part of the J5 or something similar?

International Collaboration



The ATO is focused on strengthening or relationships with tax agencies from many other countries through a number of OECD led initiatives including:

- OECD's Forum for Tax Administration
- OECD's Forum on Tax Crime
- OECD Taskforce on Tax Crime
- Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC)
- Joint Chiefs of Global Tax Enforcement (J5)



- Established in June 2018
- J5 is a commitment by Australia to improve international cooperation in fighting tax crimes, and was formed in response to the OECD's call to action for countries to do more to tackle the enablers of tax crime
- J5 comprises five countries that face common threats to their tax systems:
 - Her Majesty's Revenue & Customs (HMRC)
 - Internal Revenue Service Criminal Investigation (IRS-CI)
 - the Dutch Fiscal Information and Investigation Service (FIOD)
 - Canada Revenue Agency (CRA)
 - Australian Taxation Office (ATO)

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- Formed in July 2018 following a call to action from the Organisation for Economic Co-operation and Development (OECD) for countries to do more to tackle the enablers of tax crime.
- Since 2018, the J5 has made a concerted effort to join forces to tackle international tax crime. It's able to gather information, share intelligence at speed, conduct joint operations and build the capacity of tax enforcement officials.
- We may represent different countries, but we all share the same goal – our focus is on tackling tax and other financial crimes involving professional facilitators and enablers, cybercrime and cryptocurrency. We're also focused on building capability around data platforms that will help the work of each country now and into the future.

<https://tv.ato.gov.au/ato-tv/media?v=bd1bdiunhsowx>

Video = 4min



To actively bring about change, the J5 has started to:

- develop shared strategies to gather information and intelligence that will strengthen practical cooperation.
- drive strategies and procedures to conduct joint investigations and disrupt the activity of those who commit offshore tax crime and also those who enable and assist money laundering.
- collaborate on effective communications to send a strong deterrence message and show that those who facilitate offshore tax crime, money laundering and the misuse of crypto currency that they will not get away with it.



Structure and Focus



Canada Revenue Agency



Mission:
Committed to combatting transnational tax crime and money laundering through increased enforcement collaboration

Action Group 1:
Cyber / Crypto-Currency
Chair: US

Action Group 2:
Professional Enablers
Chair: AUS

Action Group 3:
Platforms, Data and Tools
Chair: NL

Action Group 4:
Media & Communications
Chair: US

J5 Coordination Group
Lead: AUS

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Making a Difference

Since its commencement the J5 has:

- identified dozens of tax evasion investigations, looking at international enablers with links to multiple J5 jurisdictions
- taken real action against cryptocurrency tax avoiders and emerging threats within the dark web, blockchain technologies and virtual currencies
- disrupted enabler of tax crime networks effecting J5 jurisdictions
- undertaken hundreds of data exchanges between J5 partner agencies, with new data exploitation technologies developed and new leads identified and shared
- developed platforms that enable each country to share information in a more organised manner

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J5 In Action

Coordinated Law Enforcement Action Examples

- In early 2020 J5 countries participated in a globally coordinated day of action to put a stop to the suspected facilitation of offshore tax evasion.
- The action was part of a series of investigations in multiple countries into an international financial institution located in Central America, whose products and services are believed to be facilitating money laundering and tax evasion for customers across the globe.



J5 In Action

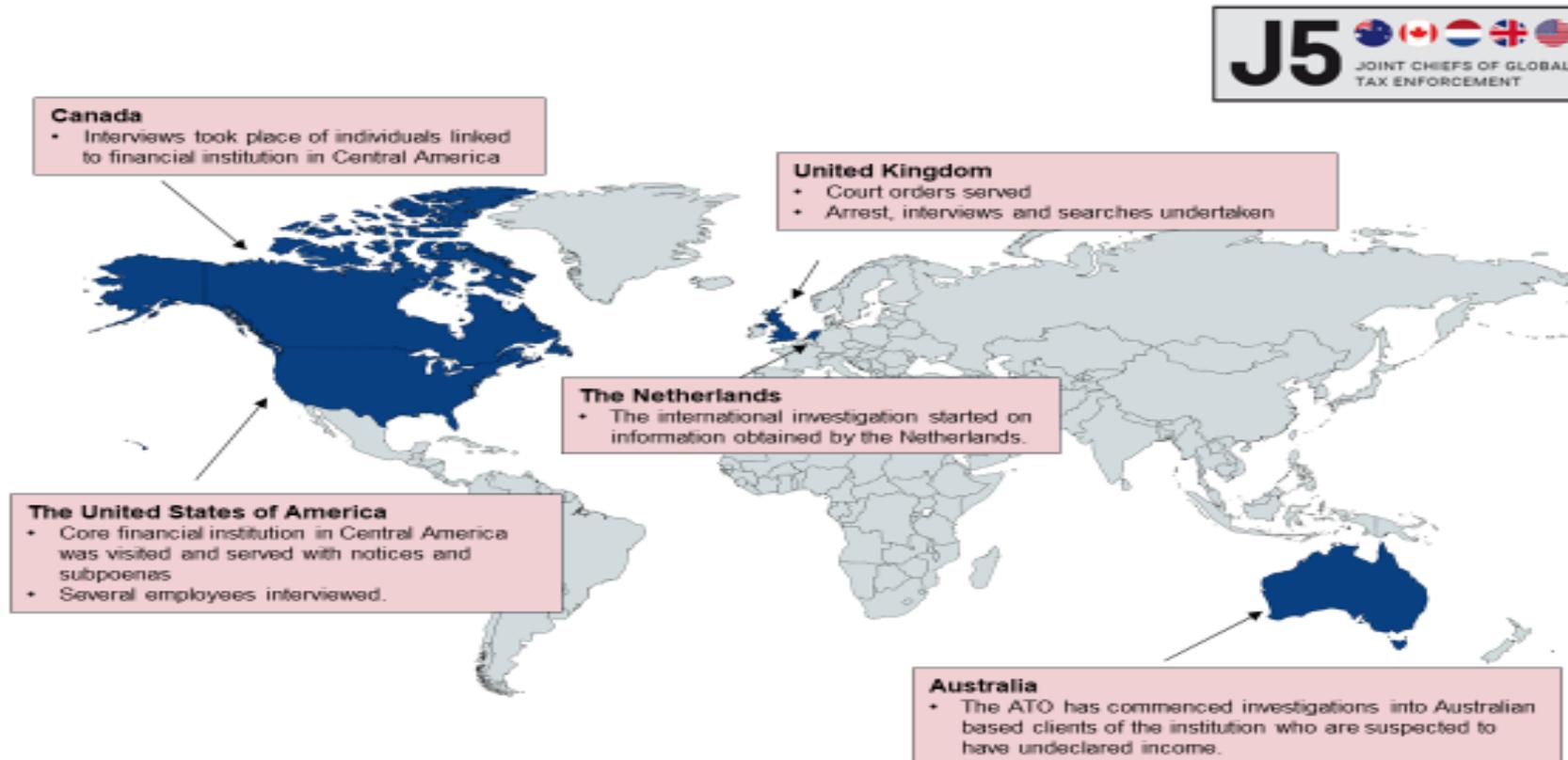
Coordinated Law Enforcement Action Examples

Operation Atlantis: The world's largest tax evasion probe

Video

11 Minutes

J5 In Action – Coordinated Law Enforcement Action Examples



J5 In Action - “Challenges”

- FIOD hosted the first J5 “Challenge” in Utrecht in 2018 and brought together leading data scientists, technology experts and investigators from all J5 countries in a coordinated push to track down those who make a living out of facilitating and enabling international tax crime.
- In 2019, the U.S. hosted a second “Challenge” in Los Angeles and brought together investigators, cryptocurrency experts and data scientists in a coordinated push to track down individuals perpetrating tax crimes around the world.
- “Challenge” events held which have identified a number of leads including arrests in the Netherlands and USA.
- In 2020, Australia hosted after the J5 group executed a globally coordinated day of action against an international financial institution suspected of facilitating money laundering and tax evasion.

J5 in Action- Building Capability Examples

- J5 countries participate in OECD capability building activity via provision of instructors to the OECD Tax Crime Academy
- The United States and the World Bank hosted cyber training in Washington, DC in 2019 bringing together more than 120 international and domestic law enforcement partners from approximately 20 countries to address emerging areas associated with cybercrime, virtual currency, blockchain and the dark web
- Australia and The Netherlands are working with the World Bank to develop capability in the Asia-Pacific and Africa
- Development of public private partnerships through existing forums such as JIMLIT (UK) and Fintel Alliance (Australia)
- J5 countries have participated in the development of FCINet with a pilot testing between the US, UK and Australia.

J5 in Action- Recent Operational Outcomes

- Operation Furnace Media release: [Five Defendants Charged in \\$8.4 Million “Boiler Room” Fraud and Money Laundering Schemes](#)
- Operation Jetsetter Media release: [Former Defense Contractor Executive Pleads Guilty to Tax Evasion](#)
- ATO Assistant Commission Brett Martin LinkedIn pulse article: <https://www.linkedin.com/feed/update/urn:li:activity:6902419322707304448/>

J5 – What Will We Achieve?

- Enhanced sharing and analysis of information within existing laws and regulations
- Improved international knowledge regarding the enablers of transnational tax crime, and use this knowledge to take effective action to disrupt these criminal attacks on global financial systems
- Leveraged data, information and technology systems to detect and deal with transnational tax crime and money laundering, and identify where these capabilities can be further enhanced
- Enhanced community understanding of the methods, weaknesses and risks from transnational tax crime

How is this group different from JITSIIC?

- J5 has a narrower focus as it was formed in response to the OECDs specific request for countries to do more to tackle the enablers of tax crime
- The J5 is primarily an operational group conducting impactful joint operations across a small number of jurisdictions that face similar threats
- J5 will work with other countries and organisations wherever it is important and appropriate to do so to achieve operational objectives

Potential collaboration with JITSIC?

- The J5 is actively considering potential cross-overs with JITSIC including:
 - Data Leaks Group
 - EOI group
 - ATP database
 - Enablers

Discussion



What are some other potential areas where we could work together or share information?

“We cannot continue to operate in the same ways we have in the past, siloing our information from the rest of the world while organized criminals and tax cheats manipulate the system and exploit vulnerabilities for their personal gain.

The J5 aims to break down those walls, build upon individual best practices, and become an operational group that is forward-thinking and can pressurize the global criminal community in ways we could not achieve on our own.”

Don Fort, USA Chief