



## OECD International Academy for Tax and Financial Crime Investigation

*Managing Financial Investigations*



# MAJOR CASE MANAGEMENT (MCM)

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OECD – ITALY  
AUGUST 2022

# **Mona Klein, Large Case Manager**

**Criminal Investigations Division  
Canada Revenue Agency (CRA)**

# OBJECTIVES

- 1) What is a Major Case
- 2) Roles
- 3) Building an effective team
- 4) Business rules
- 5) Case planning
- 6) Case management and eDiscovery
- 7) Interviews and major cases
- 8) International cooperation

# BREAKOUT SESSION

How does your Agency or Organization handle large cases?

# BUT BEFORE WE GET THERE...

Why is LARGE CASE MANAGEMENT important?

# PAUL BERNARDO INVESTIGATION

What went wrong:

- No single person in charge / responsible
- No unified, strategic coordination
- Lack of supervisory system
- Inadequate communication between various agencies

# PAUL BERNARDO INVESTIGATION

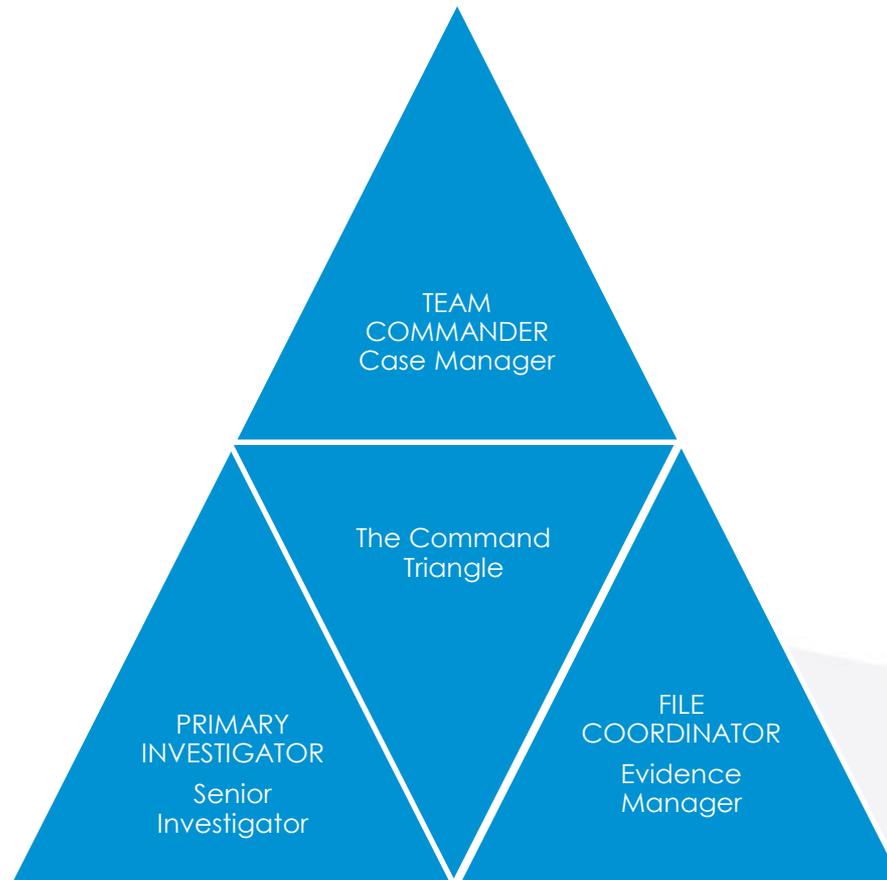
“The work of the most dedicated, skilful, and highly motivated investigators, supervisors and forensic scientists can be defeated by the lack of effective case management systems...”

[Justice Archie Campbell Report Summary](#)

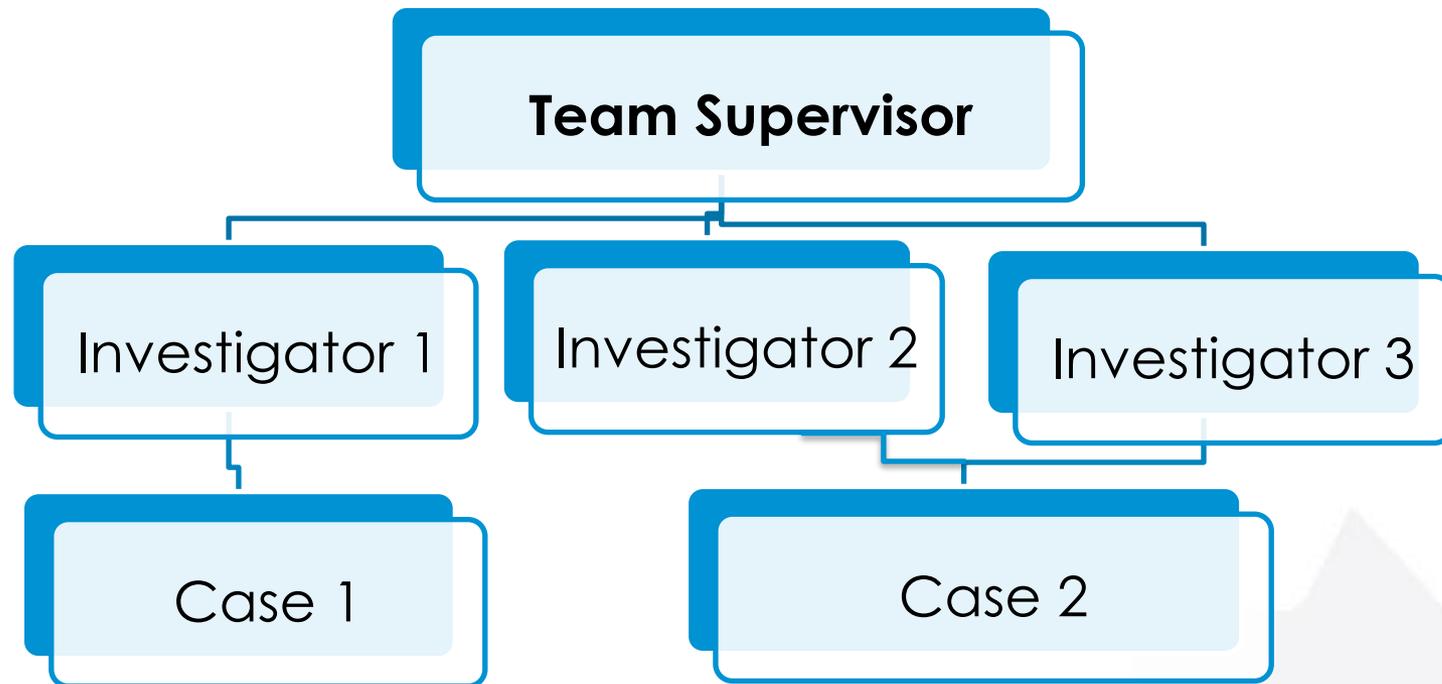
# RCMP MODEL



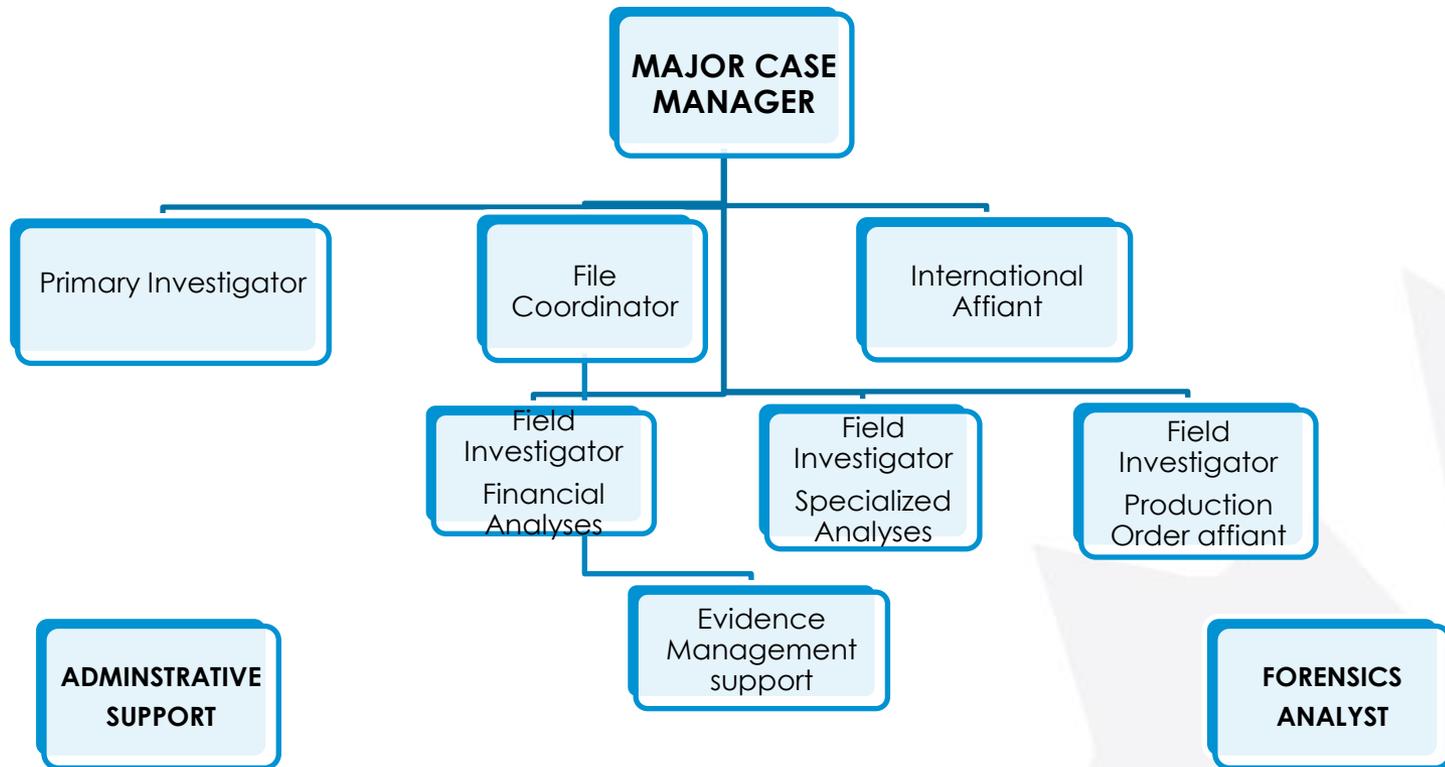
# COMMAND TRIANGLE



# TEAM STRUCTURE



# TEAM STRUCTURE



# TEAM AND PARTNERSHIPS





# WHAT IS A MAJOR CASE?

General definition:

Is the same as any other investigation, but bigger...

# WHAT IS A MAJOR CASE?

Criteria to qualify as a Major Case are:

- Complex tax schemes;
- Voluminous records;
- Inter-jurisdictional issues / foreign evidence
- Multiple targets;
- Potential for complex legal issues;
- Mastermind

# WHAT IS A MAJOR CASE?

Case complexity:

- Not necessarily applied to volume of records
- Complex financial analysis / net worth
- Foreign evidence / cross-jurisdiction
- Number of agencies involved

# WHAT IS A MAJOR CASE?

Why is Major Case Management important?

- Requires strict case planning strategy
- Allows for allocation of specific resources
- Clear roles and responsibilities
- Economies-of-scale / synergize

# THEORY OF THE CASE

If you don't have a theory, you have no case

No theory = multiple sets of facts that are disconnected  
from each other

# THEORY OF THE CASE

- Case overview
- Identify the facts that support the theory
- Identify weaknesses and possible defences

# BREAKOUT EXERCISE

In your groups, discuss what you believe challenges of Major Cases might be? **(20 minutes)**



Elect a spokesperson for your group

# CHALLENGES OF MAJOR CASES

1. Underestimation of investigation complexity
2. Volume of documents
3. Lack of focus
4. Shifting of priorities
5. Disrespect of the roles and responsibilities
6. Work in silo
7. Lack of case planning

# CHALLENGES OF MAJOR CASES

8. Failure of timely reviews of case / progress
9. Lack of multijurisdictional accountability
10. No accountability to senior management
11. Pride of authorship / defensiveness
12. Interference of non-team personnel
13. Unsuitable file management
14. Absence of innovation

# CHALLENGES OF MAJOR CASES

- 15. Failure to request assistance when needed
- 16. Lack of experienced investigators
- 17. Team turnover
- 18. Lack of team cohesion or performance issues
- 19. Team stress
- 20. Lack of financial or human resources
- 21. Lack of leadership

# ROLES

## Major Case Manager / Team Commander:

- Directs and leads investigators in the most complex investigations
- Develops operational strategies and objectives
- Responsible for direction and flow of the investigation
- Keeps investigation on track through regular case meetings, overseeing task assignment and completion

# ROLES

## Major Case Manager / Team Commander:

- Is accountable, responsible and controls the investigation
- Develops, maintains and cultivates partnerships
- Identifies potential linkages
- Identifies the need for resources
- Reviews all legal documents

# ROLES

## Primary Investigator:

- Reports directly to the Major Case Manager
- Reports any noted linkages to the Major Case Manager
- Knows the case thoroughly
- Must be assigned to case full time
- Works with other investigators as needed

# ROLES

## File Coordinator:

- Case management system control
- Quality control review of all completed tasks
- Case disclosure and vetting
- Trial management
- Evidence and witness management

# ROLES

## Field Investigator:

- Performs investigative and non-investigative duties as assigned by either the Major Case Manager or Primary Investigator

# ROLES

## Specialized Roles:

- Data analyst
- Computer forensic analyst
- Assigned administrative support

# BUILDING AN EFFECTIVE TEAM

"None of us is as smart as all of us"

Ken Blanchart

# BUILDING AN EFFECTIVE TEAM

Skills and personalities of team members:

- Experience and technical knowledge
- Independence
- Able and willing to work in a team environment
- Long-term commitment
- Critical thinking

# BUILDING AN EFFECTIVE TEAM

Skills and personalities specific to Major Case Manager:

- Strong leadership skills AND
  - Technical knowledge
  - Highly organized
  - Decisive
  - Flexible and realistic
  - Accountability
  - Integrity
-

# BUILDING AN EFFECTIVE TEAM

Different levels of management by Major Case Manager:

- General management
- Investigative management
- People and relationship management

# BUILDING AN EFFECTIVE TEAM

## Communication:

- Regular team meetings, no exclusions
- Senior management meetings / communication
- Stakeholders / partners

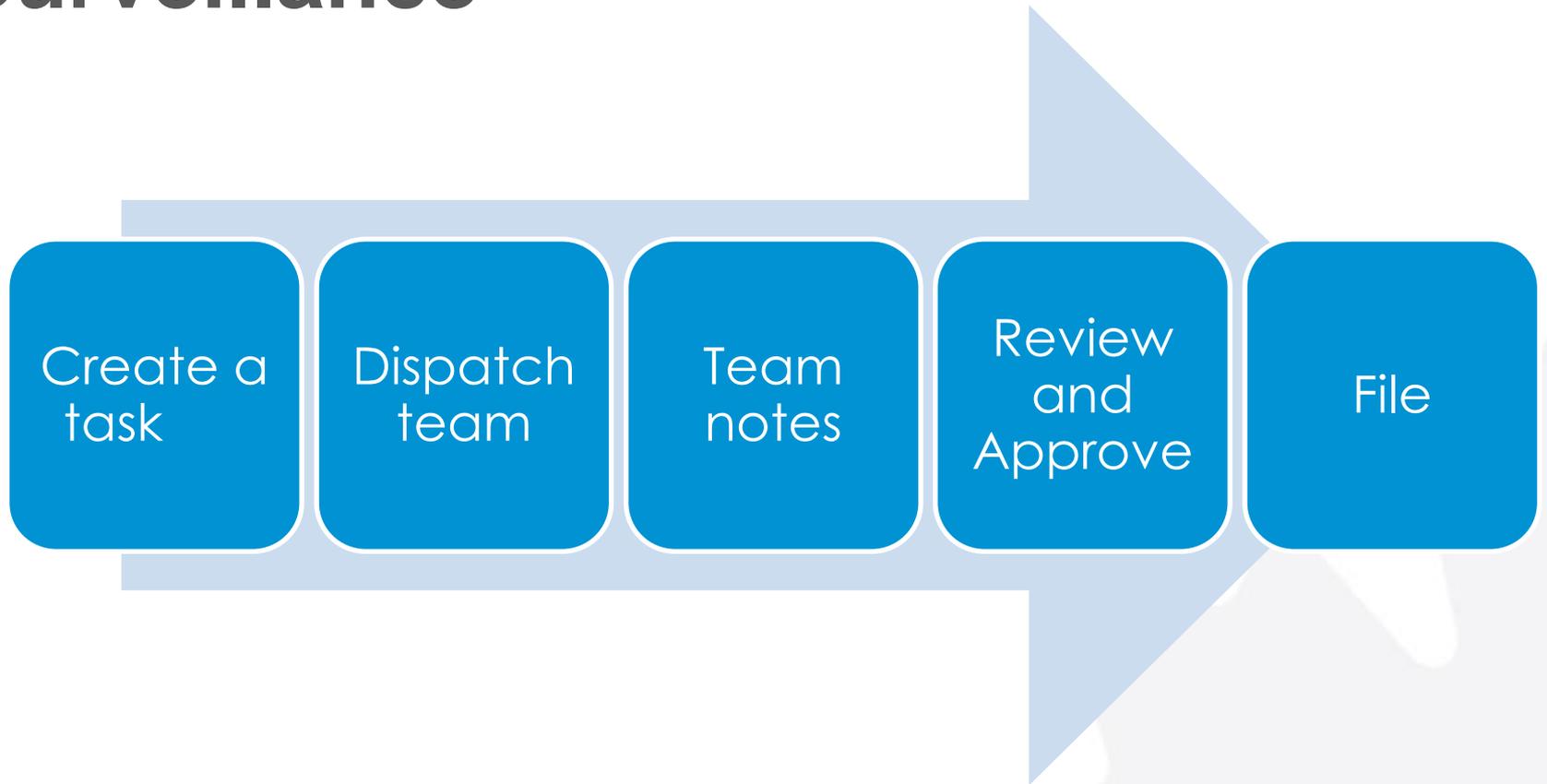
# BUSINESS RULES

Why are business rules important?

- 1) Set expectations
- 2) Provide guidelines
- 3) Ensure consistency
- 4) Reduce administrative burden and delays
- 5) Compliance with practice, policy and regulation

# BUSINESS RULES

## Surveillance



# BUSINESS RULES - BREAKOUT

In your group, think of two examples of a standardized process that could reduce the burden on a large case investigative team

Group 1 – Disclosure and redaction

Group 2 – Investigative techniques

Group 3 – Communication

Group 4 – Roles and responsibilities

# CASE PLANNING

Operational plan

Establish team structure

Ensures adequate resources are assigned

Overall investigation plan

# CASE PLANNING

## Long-term plan

Detail the investigative steps required for a successful investigation, throughout the lifetime expectancy of the case

# CASE PLANNING

Monthly case plan:

Have been shown to be an effective way to manage operations. Provides overview of the work to be completed within one month.

# CASE PLANNING

Weekly case updates:

Weekly meetings and updates are essential to Major  
Case success

# CASE STUDY – PART 1

In Country A, a Value-added tax (VAT) of 10% is required to be collected by all businesses who earn over \$30,000 in sales per year.

Each business remits the VAT collected, but can reduce it by the amount of VAT it has paid on its expenses.

# CASE STUDY – PART 1

Example:

Total sales	<u>\$300,000</u>
VAT collected	\$ 30,000
VAT paid on purchases	<u>\$ 24,000</u>
Payment to tax authorities	<u><u>\$ 6,000</u></u>

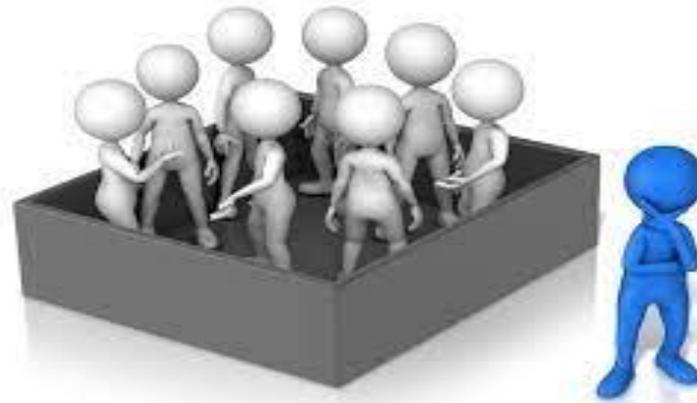
# CASE STUDY – PART 1

Example:

Total sales	<u>\$300,000</u>
VAT collected	\$ 0
VAT paid on purchases	<u>\$ 24,000</u>
Refund from tax authorities	<u>\$ 24,000</u>

# CASE STUDY – PART 1

## *BREAKOUT GROUPS*



# CASE MANAGEMENT TOOLS AND RESOURCES

Resources:

Human

Financial

Training

# CASE MANAGEMENT TOOLS AND RESOURCES

Case room

Required software and hardware

Case management system

# WHAT IS A CASE MANAGEMENT SOFTWARE?

Manages documents and processes that require action and resolution.

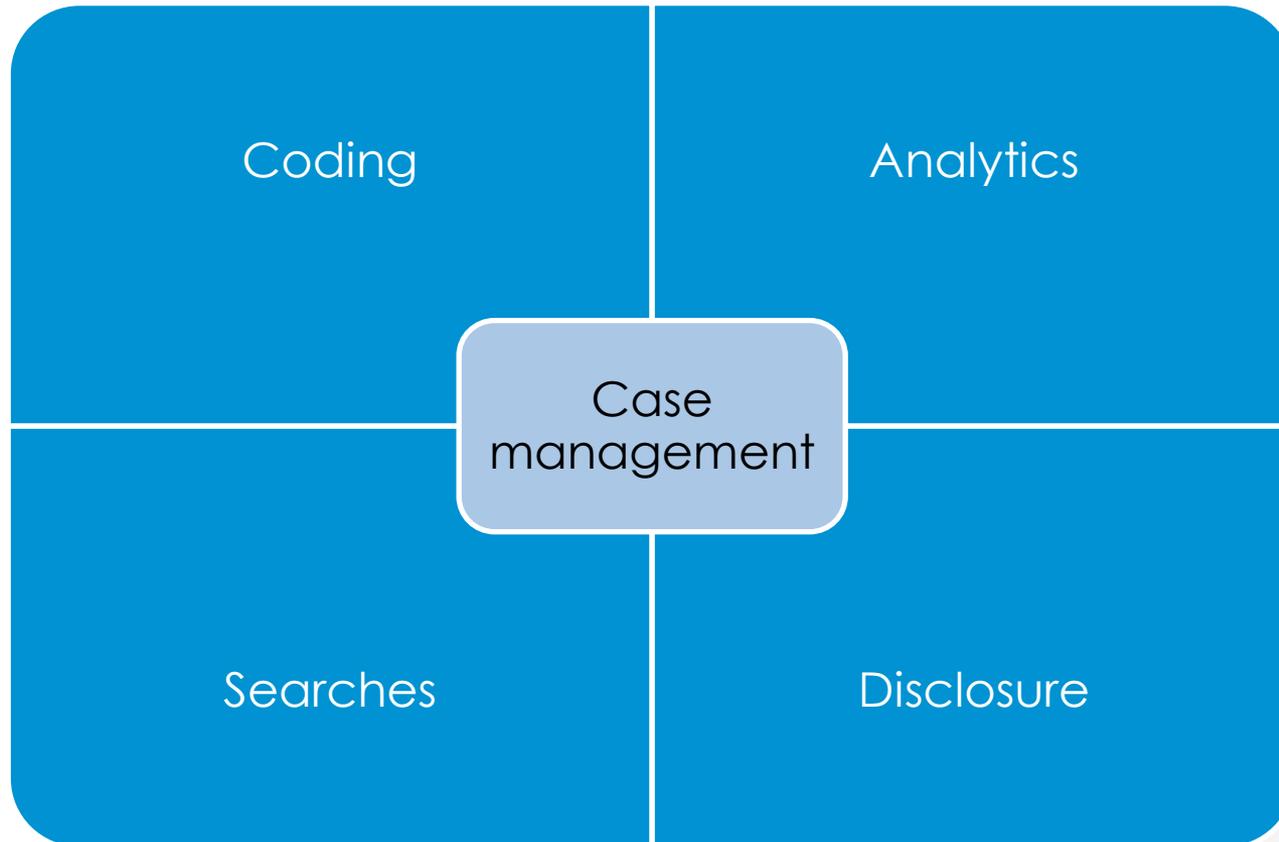


# WHAT IS A CASE MANAGEMENT SOFTWARE?

- Record notes
- Manage tasks
- Workload management / workflows
- Templates
- Approvals



# WHAT IS AN E-DISCOVERY TOOL?



# BREAKOUT SESSION

How does your country manage and work with large amounts of information / data / evidence:

- 1) In a case management setting  
(Groups 1 and 3)
- 2) In an eDiscovery setting  
(Groups 2 and 4)

# NOW WHAT?



- Think about what you are looking for...
- What are you wanting to identify?
- Are you wanting to code your documents by scheme? Organization? Document Type? Country? All of the above?
- Creation of a Conditional Coding Template

**RELEVANCE:** Relevant, Not Relevant, Out of Scope

**PRIVILEGE:** Privilege, Non-Privilege, Confidential Informant

**DOC TYPE:** Accounting Working papers, B&R, Audit File

# WHAT CAN IT DO? – Concepts

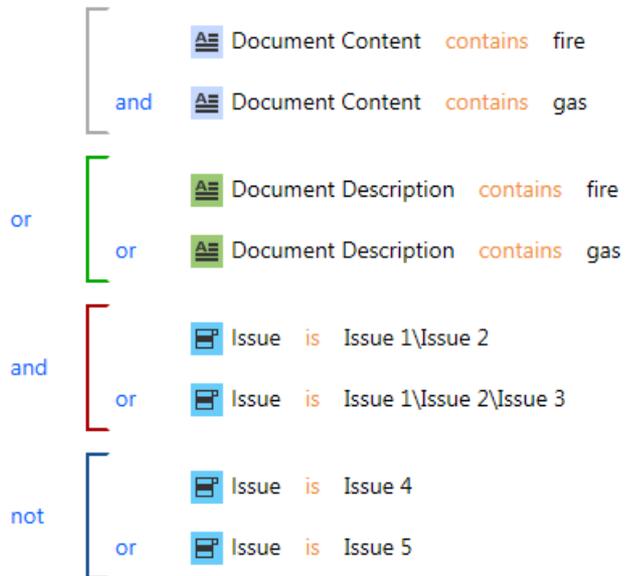
- A CONCEPT CLOUD displays a word cloud of concepts that were found in a specific document set.

The screenshot displays a software interface with two main panels. The left panel, titled "Concept Cloud", shows a word cloud of terms. The most prominent term is "tracking number" in red. Other visible terms include "Desks Risk", "Subexp distr", "fuel cells", "top grade", "best pick", "jury duty", "revised verstion", "Computer security", "John Best", "Carl Tricoli", "DAX Data", "Org Chart", "see page", "sander", "Andy Knight", "Kobli", "ding yuan", and "fwd vols". A tooltip over the "tracking number" term indicates "3 documents containing tracking number". The right panel, titled "List", shows a table of documents. The table has columns for "Document Title" and "Document ID".

			Document Title ↑	Document ID
<input type="checkbox"/>		2	2	- latest RiskNews Update - 02/0 RTAdmin_00009
<input type="checkbox"/>		2	2	- latest RiskNews Update - 02/0 RTAdmin_00009
<input type="checkbox"/>				- latest RiskNews Update - 02/0 RTAdmin_00007
<input type="checkbox"/>				- latest RiskNews Update - 02/0 RTAdmin_00008
<input type="checkbox"/>				- latest RiskNews Update - 30/0 RTAdmin_00009
<input type="checkbox"/>				- latest RiskNews Update - 30/0 RTAdmin_00009
<input type="checkbox"/>		1	1	"Enron Day" to be declared in S RTAdmin_00005
<input type="checkbox"/>				"Three Centuries of Great Vocal RTAdmin_00005
<input type="checkbox"/>		2	1	(no subject) RTAdmin_00004
<input type="checkbox"/>				(no subject) RTAdmin_00005
<input type="checkbox"/>				(no subject) RTAdmin_00005

# WHAT CAN IT DO? – Search Terms

## Complex Searches



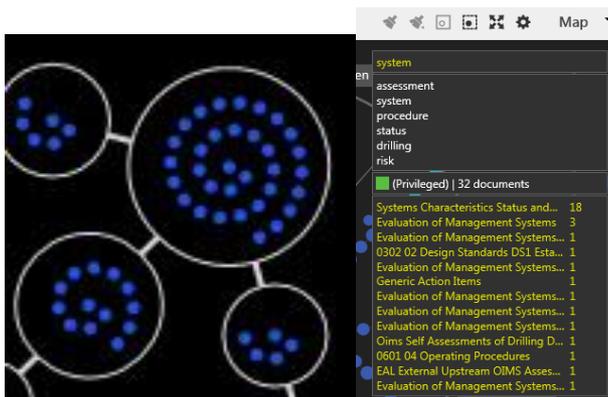
## Search Term Families

<span>Run</span> <span>Report</span> <span>Add</span> <span>Delete</span>									
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Name	Color	Terms	Document count	Syntax messages	Last run	Auto run	Progress
<input type="checkbox"/>	<input checked="" type="checkbox"/>	[Demo] LW	■	19	843,527	15	4/30/2017 10:26 AM		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	[sentiment] Negative	■	1,094	843,743	331	5/5/2017 10:20 AM		23%
<input type="checkbox"/>	<input checked="" type="checkbox"/>	[sentiment] Positive	■	99	76,898	0	2/10/2017 3:52 PM		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Common English Words 1	■	1,510	773,452	0	2/10/2017 3:52 PM		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Common English Words 2	■	1,510	714,675	0	2/10/2017 3:52 PM		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Email Marketing Terms	■	393	843,718	86	2/10/2017 3:52 PM		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Enron partners	■	1	528	0	2/10/2017 3:52 PM		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Enron Privilege Terms	■	10	76,558	0	2/10/2017 3:52 PM		
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Enron Search Terms	■	26	514,017	0	2/10/2017 3:52 PM		

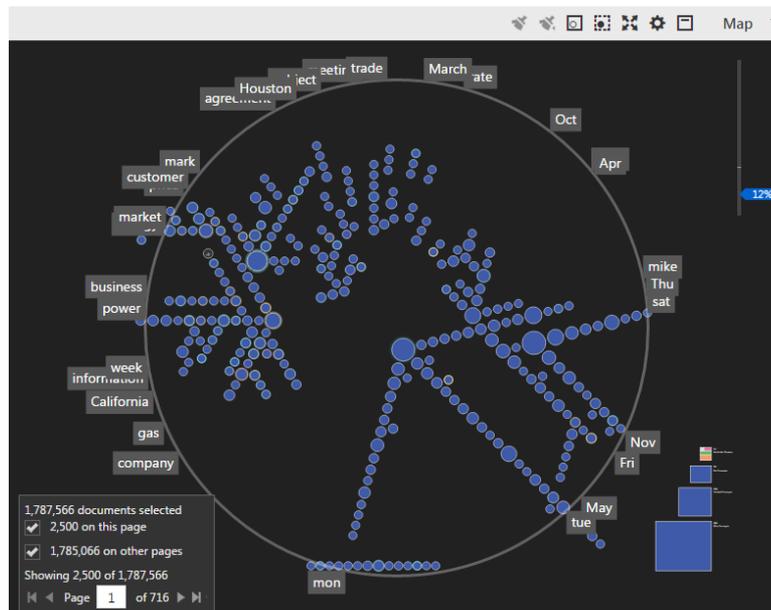
# WHAT CAN IT DO? - Mapping

- A MAP PANE is an alternate view of documents in a search result set in which docs are clustered based on the similarity of concepts.

Concept Cluster, Pivot Document, Spiral, Cluster Summary, Spine

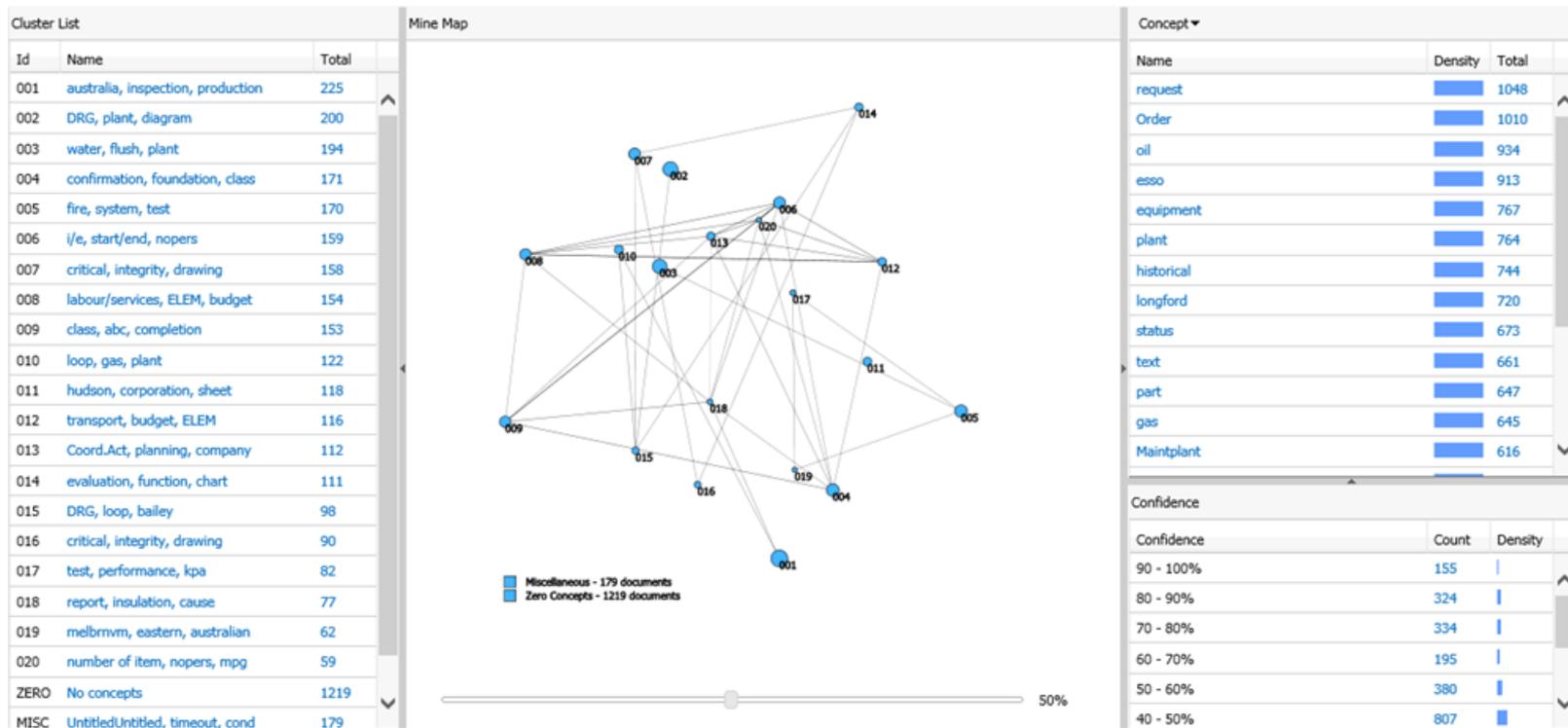


- Quality Control



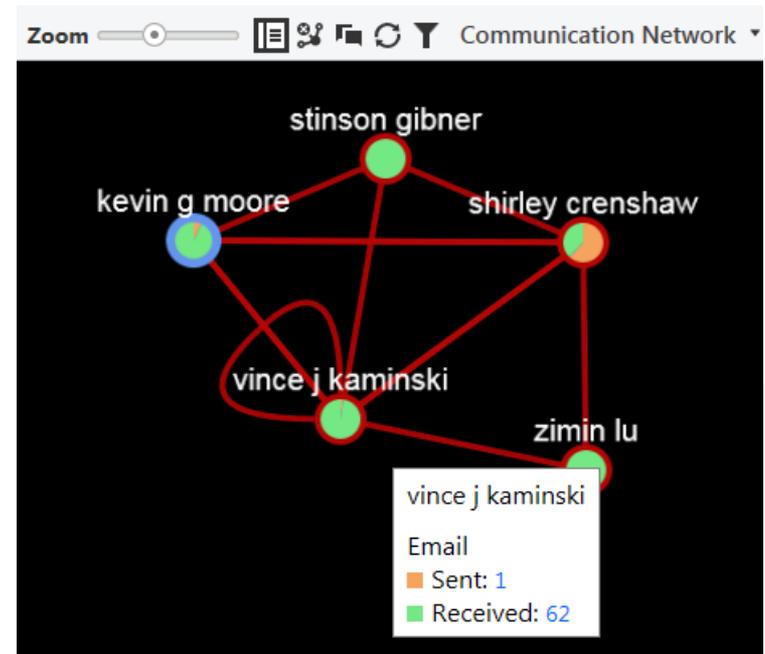
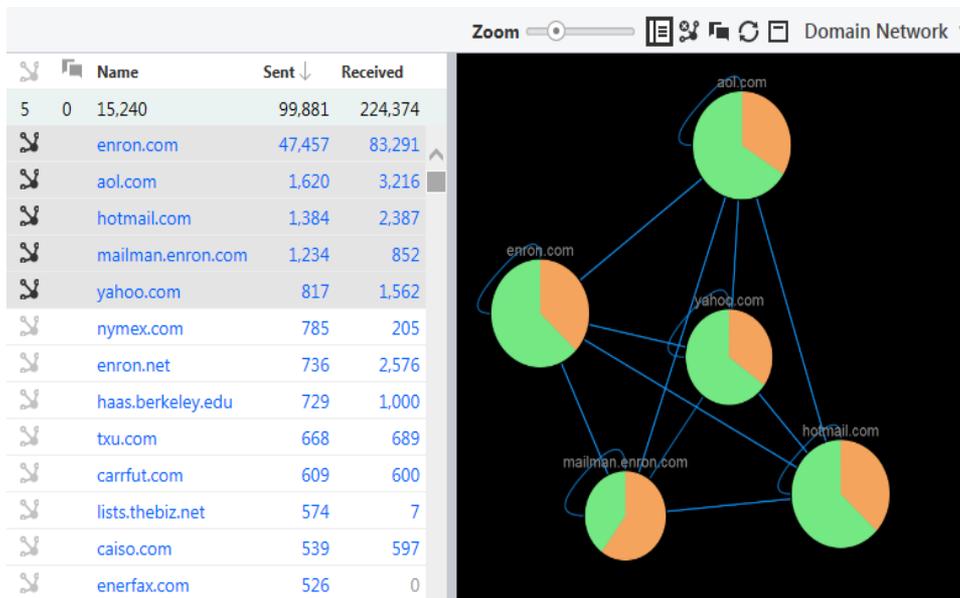
# WHAT CAN IT DO? - Analytics

- A MINE is a visual representation of important concepts in documents.



# WHAT CAN IT DO? – Network Analytics

- SOCIAL NETWORK ANALYTICS can view email communication patterns between people and organizations.

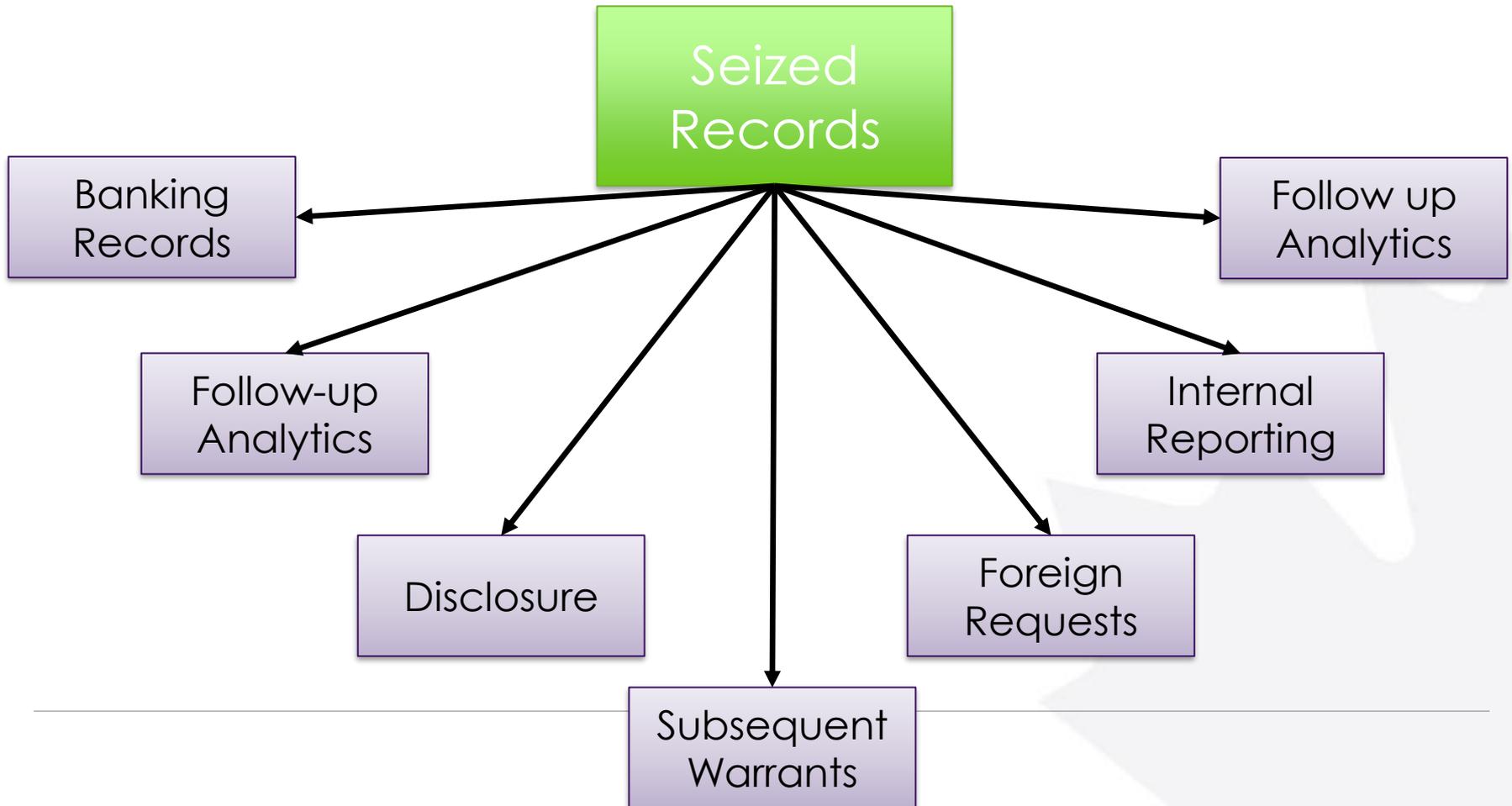




# MAJOR CASE ANALYTICS

1. Plan! Plan! Plan!
  2. Quality of Data
  3. Navigating a Sea of Data
  4. Automation
  5. Presentation of Results
-

# PLAN! PLAN! PLAN!



# QUALITY OF DATA

## Important Questions

- How was this dataset created?
  - What is the source of data?
  - Are there any obvious errors?
  - Can I share this data?
-

# NAVIGATING VOLUMINOUS DATASETS

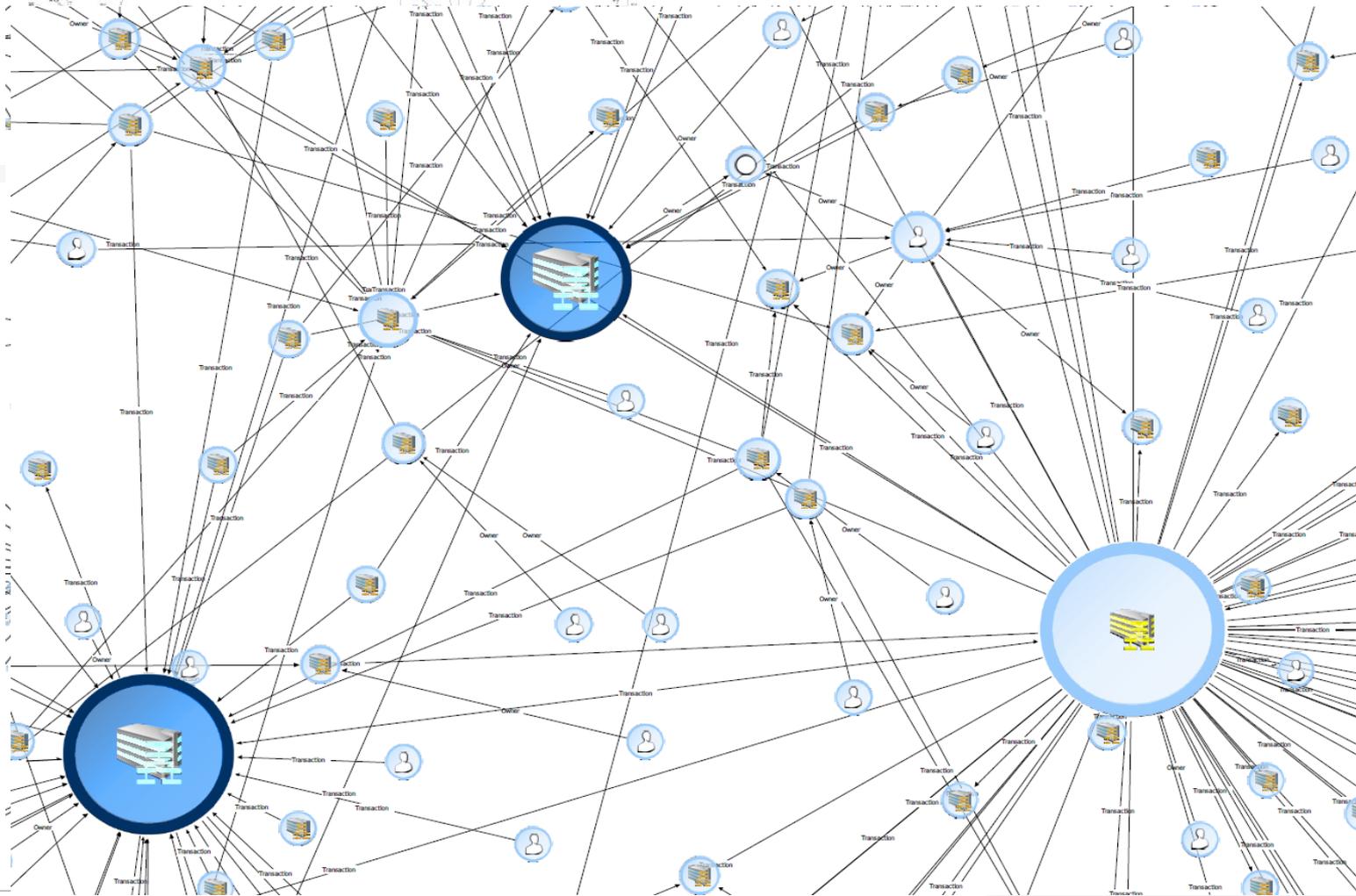
- Proper tools
- Combining datasets
- Major case tools



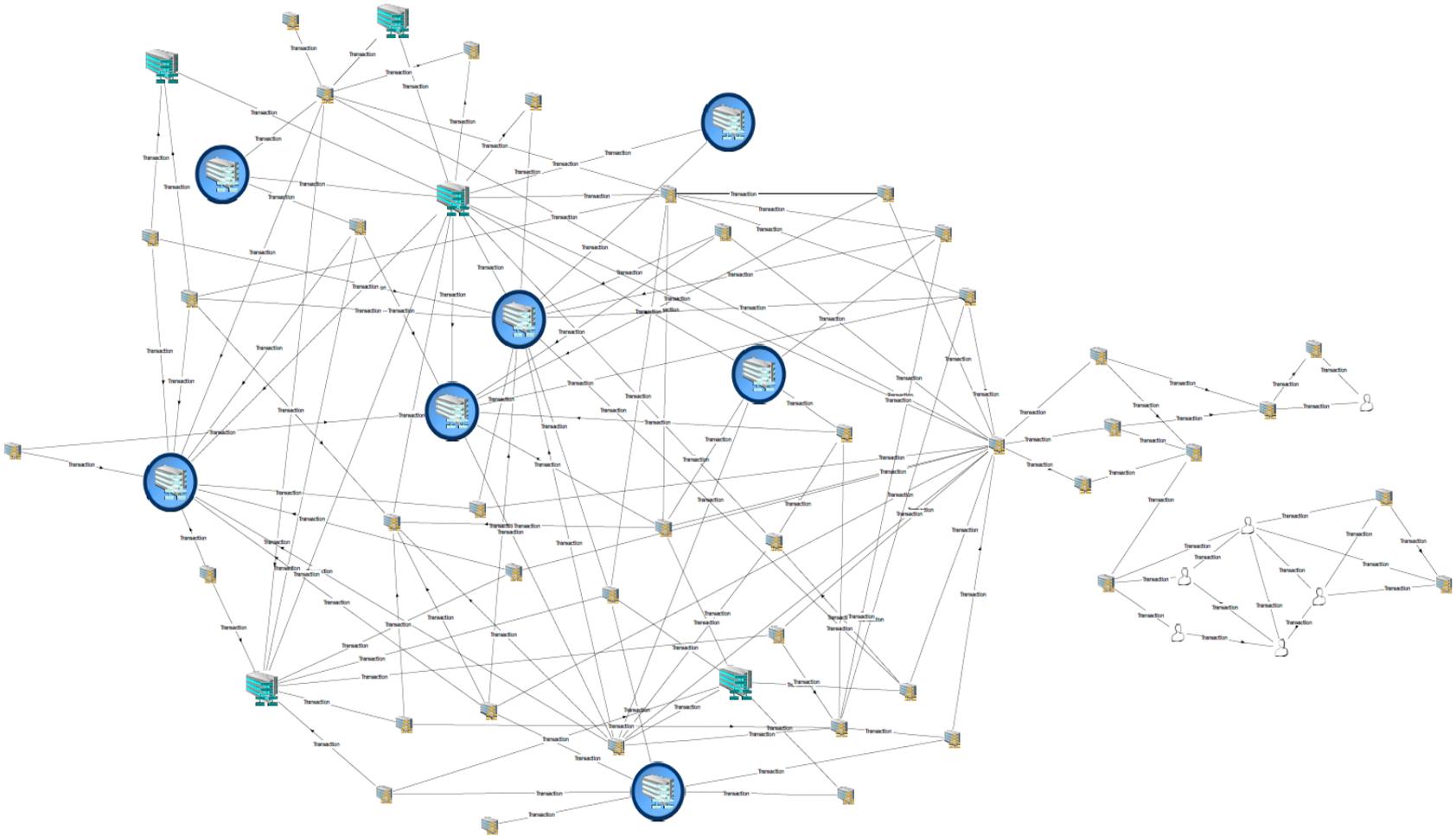
# AUTOMATION



# PRESENTATION OF RESULTS



# PRESENTATION OF RESULTS



# DATA INTEGRITY - BREAKOUT

Large Data Sets are unavoidable in Major Cases

Problem – Large amounts of data require analytical tools in order to enable the analysis of large data sets in a manageable time period

Solution – Analytics / Big Data solutions

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# DATA INTEGRITY - BREAKOUT

But... How do you make sure that the analysis / results are accurate? How to ensure:

- 1) What are the biggest concerns with the analysis / results?
  - 2) In what ways can you remedy the situation? How do you provide comfort to the prosecutor and the judge that the conclusion is correct?
-

# DATA INTEGRITY



Independent verification by an objective party



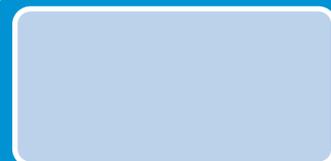
Independent “re-do” by an objective third party



Step by step instructions by data analyst detailing methodology taken



Control checks



Sampling

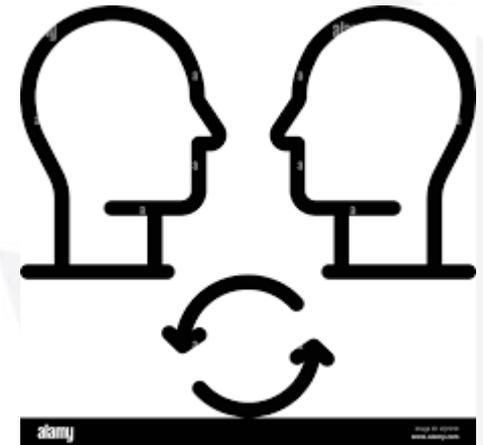
# REDACTION AND DISCLOSURE

Redaction - the censoring or obscuring of part of a text for legal or security purposes (Oxford Dictionary)

Proper [REDACTED]  
[REDACTED] Redaction  
[REDACTED] Matters.

# REDACTION AND DISCLOSURE

Disclosure - the process and rules governing the exchange of information between the parties to prepare for legal proceedings.





# INTERVIEWS AND MAJOR CASES

Some interview basics that still apply in major cases:

- Preparation is vital
- Interview sequencing
- Familiarity with the case
- Outline vs. Questionnaire?

# HOW ARE INTERVIEWS DIFFERENT IN A MAJOR CASE?

- Number of interviews
- Inconsistency in interviewer(s)
- Theory of the case / facts can be complex to follow
- Administrative aspect can be a burden

# WHAT CAN WE DO TO MITIGATE THESE RISKS?

An Interview Coordinator can assist in Major Case Interviews



# WHAT CAN WE DO TO MITIGATE THESE RISKS?

Knowledge of case facts by all interviewers will help focus the interview to “what we need to know”

Regular team meetings and discussions should include the topic of ongoing witness interviews, what we have learned, where the new information will take us (what’s different?)

# INTERNATIONAL COOPERATION

Tools available:



# INTERNATIONAL COOPERATION

## Mutual Legal Assistance Treaty Request (MLAT)

- Where two countries have an agreement to share
- In criminal matters
- Type of information that can be obtained: Search Warrant for evidence, witness testimony abroad
- Handled by a specific body in your country (IAG in Canada)

# INTERNATIONAL COOPERATION

## Exchange of Information (EOI)

- Handled by the Competent Authority Section
- Civil or criminal matters
- Legal Instruments for exchanging of information

# INTERNATIONAL COOPERATION

## Exchange of Information (EOI) – Bilateral Tax Treaties

- Eliminate or reduce double taxation
- Exchange of information tool
- Not normally retroactive
- Identify taxes covered

# INTERNATIONAL COOPERATION

Exchange of Information (EOI) – Tax Exchange Information Agreement (TEIA)

- Exchange of information tool only
- Can be retroactive
- Identify taxes covered

# INTERNATIONAL COOPERATION

Exchange of Information (EOI) – Convention on Mutual Administrative Assistance in Tax Matters (MAAC)

- Both criminal and civil matters
- Allows exchange for all taxes administered by the noted jurisdiction

# INTERNATIONAL COOPERATION

Exchange of Information (EOI) – Simultaneous Criminal Investigation Program/Agreement (SCIP)

- A scheme involving residents of two countries alleged to have evaded taxes in both countries



# INTERNATIONAL COOPERATION

## Non-Treaty Request:

- No tool are available for exchange of information
- Based on the relationship of the two foreign jurisdictions (tax or otherwise)
- Handled by the Department of Justice International Assistance Group (MLAT requests)

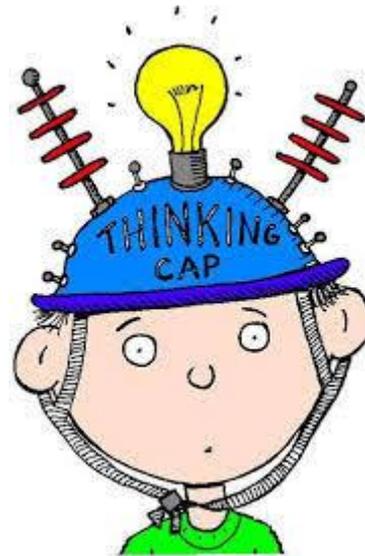
# INTERNATIONAL COOPERATION

## OTHER CONSIDERATIONS

- Financial Intelligence Units
- Extradition Requests
- Interpol/Europol Red Alert
- Commission Evidence
- Publicly-available information
- Sharing evidence received via international process

# CASE STUDY – PART 2

## *BREAKOUT GROUPS*





## OECD International Academy for Tax and Financial Crime Investigation

*Managing Financial Investigations*



