

George Carver

To whom it may concern,

By way of introduction, I am the Director of the International Tax Division with the **CORADA REVENUE SERVICE**.

During the past few months, my unit has conducted a review of large sums of money transferred to **PACIFICA** by way of international electronic funds transfer (EFT), by multiple **CORADA**-based corporations. By review of the tax returns filed by these same corporations, it is believed that the totality of the funds transferred have been used to reduce each corporation's taxable income in **CORADA**.

We attach to this referral details of the EFTs transferred to **PACIFICA**. In addition, you will also note multiple EFTs transferred from **PACIFICA** to **CORADA**. Upon our review of the Financial Intelligence Unit (FIU) data, we have concluded the following:

- A total of 26 **CORADA**-based corporations have been identified to-date who have transferred assets to **PACIFICA**;
- The electronic funds transfer is identified as a "gift", "non-taxable contribution" or "business-related expenses";
- By review of the tax returns filed by the **CORADA**-based corporations, it is reasonable to believe that the amounts transferred to **PACIFICA** have been deducted as a business-related expense on the **CORADA**-based corporation's tax returns;
- A total of \$168,950,000 has been transferred to **PACIFICA**-based corporations;
- A review of EFTs transferred from **PACIFICA** to **CORADA** shows that the same **PACIFICA**-based corporations have subsequently transferred large sums of money, totaling \$137,984,000 to different **CORADA**-based corporations. The reason for these transfers are noted as "gift" or "distribution". None of the money transferred is received by any of the **CORADA**-based corporations who initially sent money offshore to **PACIFICA**.

At this time, no relation has been made between transferring corporations and receiving corporations. However, a review of the **CORADA**-based owners of transferring corporations suggests that unexplained wealth may be an issue.

Three accounting firms have been identified as common authorized representatives for the 26 **CORADA**-based transferring corporations. At this time, no link between these firms have been identified. A review of **CRS** records shows each representative's authorized representative number, as registered with **CRS**.

It is our suspicion given the above information and the data received from the **CORADA**-based FIU, that the **CORADA**-based corporations are operating in a like-minded fashion. It appears likely that a scheme has been developed and is being orchestrated by one or more party(ies), given the similarities we have seen.

We have discontinued all audit techniques pending the result of this referral to the Criminal Investigations Division (CID). Please advise if the CID expects to take charge of this case. Our team is at your disposal for any meetings or discussions, should you require additional information regarding this referral.

Thank you for your attention to this matter.

Best Regards,

George Carver
Director, International Tax Division