



## **Net Worth Case Study Part I: Case Background**

### **CASE INFORMATION:**

John Carson is 45 years old and lives in North America. John is married to Sarah Carson and together they have two children. Both children are under the age of 5.

Sarah works part time as a receptionist at Exact Tax, a local accounting firm.

John's mother, Mary Carson, also lives with John and Sarah. Mary is retired and collects a small pension which is deposited into Mary's personal bank account. Mary appears to live financially independent from John and Sarah.

John is employed as the Director of Procurement with the City of Riverlance, a city of approximately 1 million people. His daily responsibilities include developing and issuing Request for Proposals (RFP) on city maintenance contracts and approving bids from external suppliers.

You are an Investigator with the North America National Police Force. Your duties include investigating bribery and corruption cases involving public officials. A confidential informant has said that John has been using his position as Director of Procurement to receive kickbacks from an external supplier in exchange for providing insider information on the RFP scoring system and ensuring that the supplier was successful in obtaining a lucrative city contract. The informant has described the scheme as follows:

- Step 1:** The City of Riverlance prepared an RFP related to a maintenance contract and put it out for tender. The contract included the upfront purchase of maintenance equipment as well as a multi-year agreement to service the equipment. The contract was open to all suppliers located within a 250km radius of Riverlance.
- Step 2:** John was contacted by Antonio Turco, the President of Operations at AT Maintenance and Supplies Ltd. who indicated he was planning on bidding on the maintenance contract. John agreed to provide Antonio with confidential information related to the scoring system of the bids.
- Step 3:** John provided Antonio with insider information on the RFP scoring system in exchange for an upfront kickback fee of five percent of the maintenance equipment contract value.



- Step 4:** John instructed Antonio to wire the kickback fee to JC Consulting LLC, a shell corporation owned by John in the Cayman Islands. JC Consulting LLC does not have any business operations and is used solely by John for laundering his illicit income.
- Step 5:** John awarded the contract to AT Maintenance and Supplies Ltd. based on the bid submitted to the city.
- Step 6:** Subsequent to the contract being awarded, John received a two percent kickback each month from AT Maintenance and Supplies Ltd. This amount was based on the total monthly billings to service the maintenance equipment. The funds were wired to JC Consulting LLC's offshore account in the Cayman Islands.

The informant has also provided information regarding a new home purchased by John, an expensive new car and lavish vacations taken by John and his family.

The investigation into John covers the period from January 1, 2021 to December 31, 2023 inclusive.

## FOR YOUR ACTION:

In your breakout groups, determine the following:

- 1) Who will be included in the Net Worth Analysis?
- 2) What is the base year period for the Net Worth Analysis?