

Profile of a tax criminal



Types of analysis

	Strategic analysis	Operational (tactical) analysis
Crime	Phenomenon	Case analysis
		Comparative case analysis
Offender	General profile	Group profile
		Specific profile

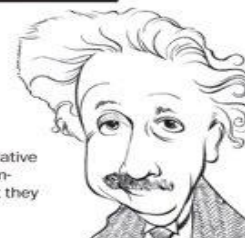
What is a Profile ?

To increase energy, those who...
 ● turn to others are an E (extroversion).
 ● turn inward are an I (introversion).

Those who take in information in a...
 ● creative way are an N (intuition).
 ● pragmatic way are an S (sensing).

Those who...
 ● seek harmony are an F (feeling).
 ● seek objective truth are a T (thinking).

Those who prefer to...
 ● get closure and act are a J (judging).
 ● stay open and adapt are a P (perceiving).



ENFPs are charismatic, imaginative and warm with their support. They need a lot of affirmation from others.
Oscar Wilde

INFPs are idealistic, curious and loyal. They seek to understand others, yet can be less accepting of those who threaten their core values.
A.A. Milne

INFJs are insightful and future-oriented. They are conscientious, but can be firmly decisive when it comes to their vision.
Mahatma Gandhi

INTJs hold themselves, and others, to high standards. They are individualistic and visionary, yet have a tendency to be skeptical.
Ayn Rand

INTPs are rational, contemplative and have a knack for problem-solving. The down side is that they can also be critical.
Albert Einstein

ISTPs tend to be tolerant and candid. They are quick with solutions, yet spend a lot of time silently observing.
Frank Zappa

ISTJs are steadfast, thorough workers who prize practicality. They have a stronger need than most for order and organization.
George Washington

ISFJs are careful and considerate. They tend to remember small details about people and projects, but can be painstakingly thorough.
Mother Teresa

ISFPs avoid conflict and exude a quiet friendliness. They are open-minded and sympathetic but prefer not to work with others.
Jacqueline Kennedy Onassis

ESFPs enjoy working in groups, and match common sense with flexibility. They love people and life, but can likewise be materialistic.
Peter the Great

ESFJs are outgoing and loyal. They are great at following through on projects, yet often seek affirmation and appreciation.
Andrew Carnegie

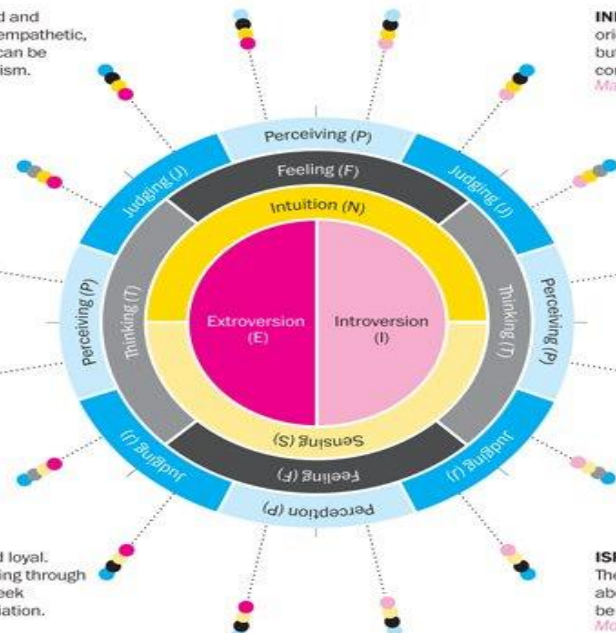
ESTJs are decisive and efficient. They are systematic in their approach, but can be forceful in implementing those decisions.
Henry Ford

ESTPs are bold and tactical, with an energy for problem-solving. They have a harder time focusing on concepts and theories.
Winston Churchill

ENTPs are clever and entrepreneurial. They dislike routine, which can make it hard for them to commit longer term to an interest.
Benjamin Franklin

ENTJs tend to assume leadership roles and solve organizational problems. They can be pushy when putting their ideas forward.
Napoleon Bonaparte

ENFJs are goal-oriented and caring. They are highly empathetic, yet for similar reasons can be overly sensitive to criticism.
Martin Luther King, Jr.



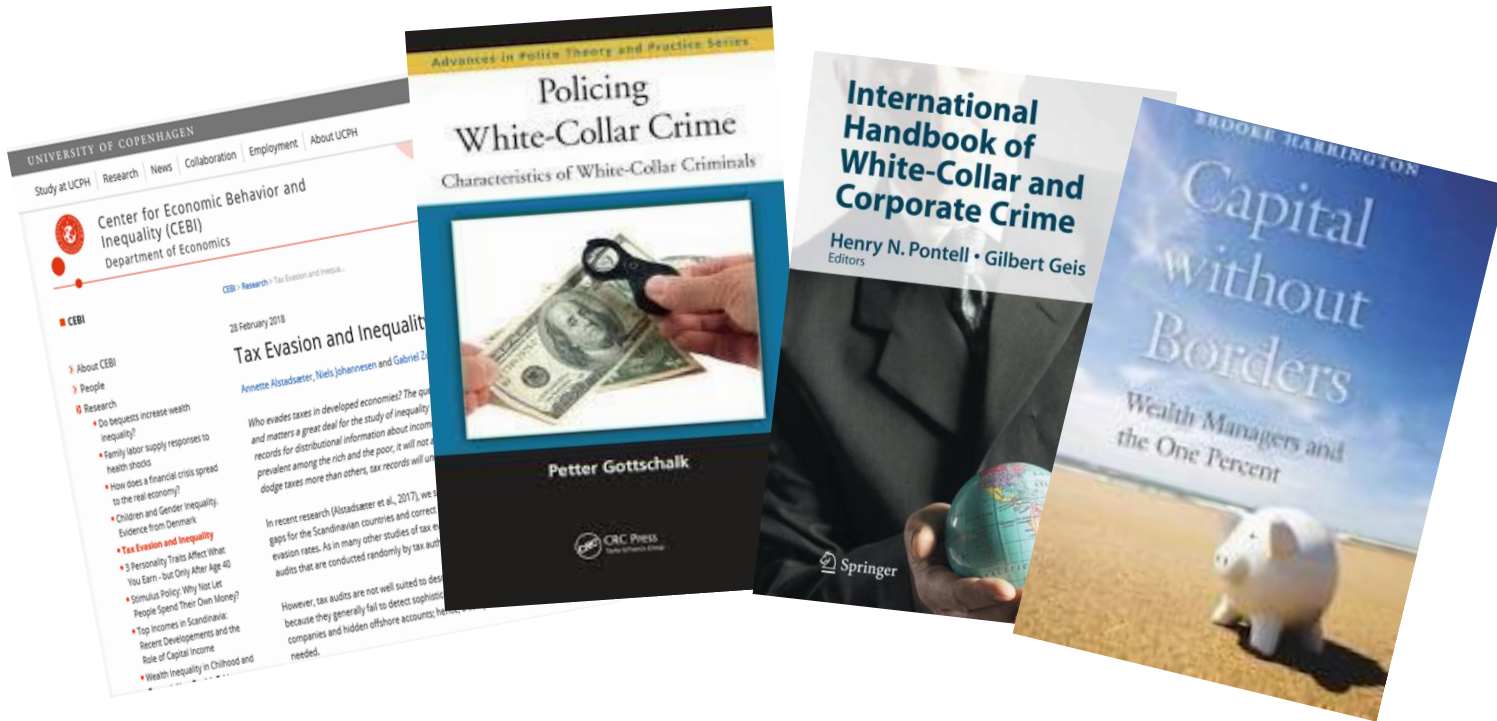
ILLUSTRATIONS
BY CHRIS MORRIS

A white-collar criminal is a person of respectability and high social status who commits crime in the course of his occupation.

(Sutherland, 1949)

OECD International Academy for Tax Crime Investigation

Investigative Techniques for the Cash Economy



Research Studies

Bucy et al. 2008:

- 8 characteristics: Intelligent, arrogant, cunning, successful, greedy, risk willing, narcissistic, decisive and charismatic

Collins et al. 1993:

- Comparison of 365 convicted WCC to 344 CEO: irresponsible and nonsocial behavior

Hansen 2009:

- definition: Wealthy, highly educated, socially connected, works typically for legitimate organisations

Gottschalk:

- 5 stepmodel: Women and white collar crime

Shover:

- Influence: competition, wealth -> arrogance and has the right

Policing White-Collar Crime

- Norwegian 4 year study of 305 bigger cases of convicted white collar criminals
- Average age when convicted 48 years, 5 year process
- 92 % convicted were men
- Average imprisonment 2.2 years
- Average fraud amount 7 mil. Euro
- Average personal wealth 200 K Euro
- Average turnover 25 mil. Euro
- Average no. of employees 124 (only few very big companies)

Policing White-Collar Crime

- 27 % convicted committed the crime alone (27 %)
- 30 % convicted owners, board members and CEO
- 45 % convicted lawyers, investors, consultants
- 25 % convicted middle managers, sole company owners
- 92 % convicted worked in the private sector
- 57 % convicted leaders, 43 % followers
- 14 % convicted committed crime for the organisation, 86 % for own benefit
- 29 % convicted "rotten apples", 71 % "rotten barrels"

Policing White-Collar Crime

- Neutralization techniques:
- Denial of responsibility (others responsibility, market pressure...)
- Denial of damage (no loss, corruption / deception)
- Denial of victim (earned it, corruption improves)
- Condemnation of the condemnator (naive, does it himself)
- Appeal to higher values (jobs, survival of company)
- Entitled to (default by victim, circumstances)
- Acceptable error (has done many good things, longer leash)
- Dilemma assessment (balancing of opposite arguments)

Discussion of a case..

Study: Dishonesty and Selection into Public Service in Denmark

- 862 students (law, economics, pol. science) participated in a dice-game and questionnaire
- 17 % guessed 39-40/40 correct
- 66 % partly dishonest
- 17 % guessed 1/6 correct
- Most dishonest are men
- Most dishonest prefer to work in the private sector - switch at approx. +1500 euro/mth.
- Financial sector is most preferred by most dishonest:

Table 6: Top ranked job categories among less and more dishonest

Top ranked job	Est. cheat rate < median	Est. cheat rate \geq median	Difference	p-value
Financial sector	8.62	18.94	10.31	0.0000
Central bank	4.66	10.16	5.50	0.003
Other private	19.11	20.79	1.67	0.60
Law firm	11.89	11.55	-0.34	0.96
Other public	3.96	3.23	-0.73	0.69
Public relations	6.76	4.16	-2.60	0.13
Lobby organization	19.11	13.86	-5.26	0.05
Public administration	25.87	17.32	-8.55	0.003

Profile of a tax criminal

Can we put a tax criminal in to a formula?

- **Risk Indicators**
- **Sources of information**
- **Profiling**
- **Methods of proof**

Modus operandi



Shell transformation

Use of assets

Sale underpriced

Parking of debt

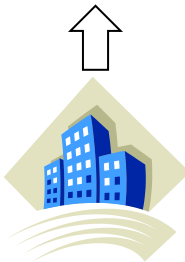
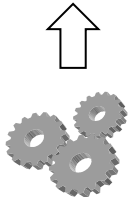
Fictitious services

Pro forma loans

Purchase overpriced

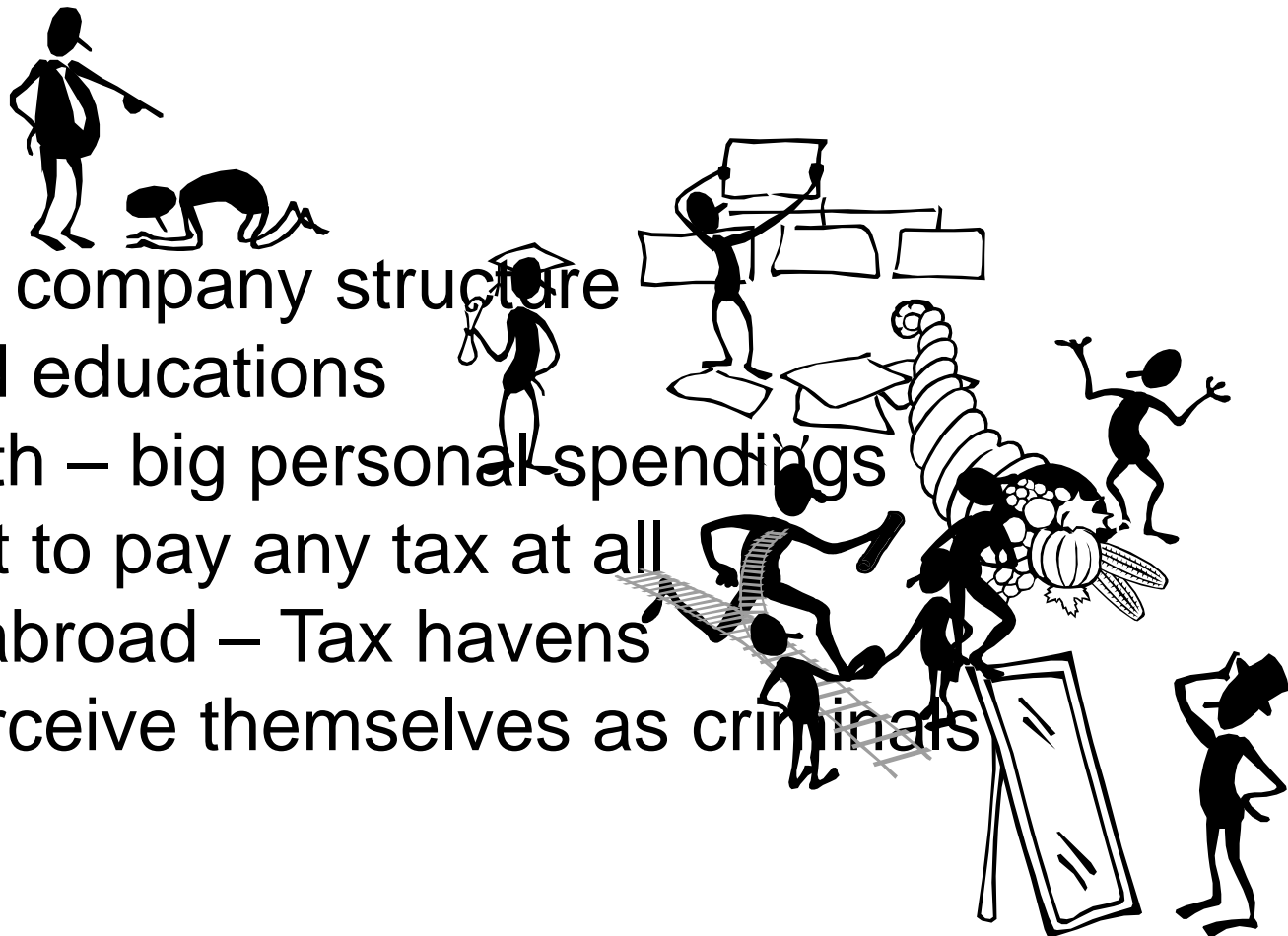
Private expenditures

Correct taxpayer



Observations

- Dominant
- Confusing company structure
- Unfinished educations
- Fast growth – big personal spendings
- Don't want to pay any tax at all
- Activities abroad – Tax havens
- Do not perceive themselves as criminals

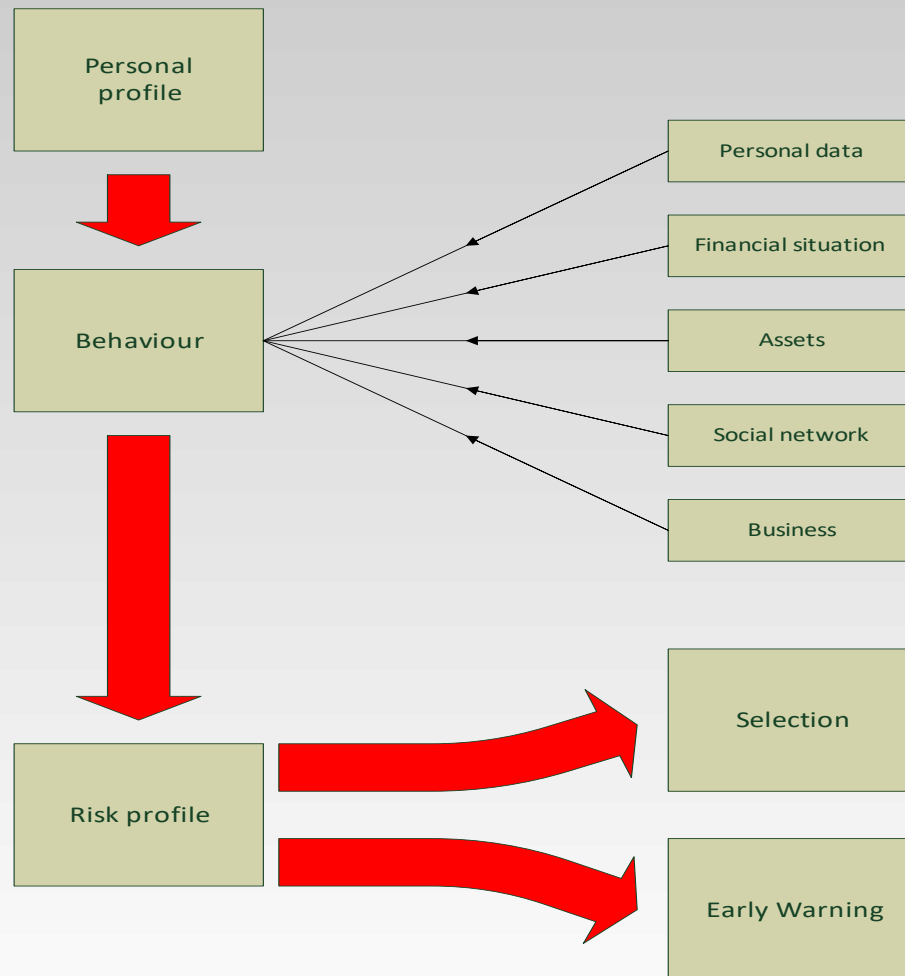




DNA-PROFILE

Investigation

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Challenges

- Privacy Act
- Purpose of data collection
- Only a basis for possible investigation

Models to identify and prioritize fraud cases





- identification number
- name
- number of companies
- number of board positions
- number of executive boards
- number of business owned
- number of liquidations and bankruptcies
- zip code
- town
- income
- business deficit
- interest expenses
- salary
- paid tax
- net worth
- MT information
- number of properties
- the value of properties
- number of cars
- assets abroad

- Taxable income equal to or above DKK 10 million - and paid tax equal to or less than 1 million
- Total tax payment less than or equal to 100,000, Net Worth 16, 17 and 18 less than or equal to 100,000, MT incoming, and properties over 10 million
- Total tax payment less than or equal to 100,000, Net Worth 16, 17 and 18 less than or equal to 100,000, and properties over 100 million
- MT exceeding 1 million, Net Worth 16, 17 and 18 less than or equal to 100,000, and taxable income less than or equal to 0
- Zip code, taxable income less than 0, Net Worth 2017-2018, less than 0

Investigative Techniques for the Cash Economy

Scoring system adopted
18 August 2016



One of our cases



An easy way to find the cases can also be ...

