OECD International Academy for Tax Crime Investigation

Managing Financial Investigations

OECD

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USE OF INTELLIGENCE IN TAX AND FINANCIAL INVESTIGATIONS

> "

Does your Tax Administration have a full view of their taxpayers?

1 Yes

75%

2 No

25%

"

The usual tax audits based on data supplied by taxpayers themselves, have failed to uncover full tax potential as well as tax related financial crimes information.

1   True

70.83%

2   False

29.17%

Learning Objectives

Tax Intelligence – **ABCs**

↓

Intelligence Cycle

↓

Sources of Intelligence

↓

Challenges

↓

Conclusion

TAX INTELLIGENCE ABCs

Taxpayer Profiling

Introduction

Tax Intelligence is;

*The **systematic** use of:*

- ▪ ***Specialized techniques**, aimed at the **production of information**, for the **purpose** of assisting the tax administration in the planning and execution of its legal functions, including revenue collection, combatting tax evasion and financial crimes.**

*Source: *Inter American Center of Tax Administration – CIAT*

Definition – KRA

"Intelligence" refers to;

- The product of all relevant data and information that has been **collected, analysed and interpreted** into meaningful information for the relevant decision maker.

- The activity of **transformation** of diverse bits of information into something of strategic value for the organization

Traditional Tax Audits and Investigations

- Uses known methodology e.g.

  - Database Analysis – Rely on internal databases and is often limited to their functional areas(Customs/Domestic Taxes/Stations etc.)
  - Inconsistency Analysis e.g. withholding VAT/GST Vs Declared VAT/GST
  - Banking Method – Variances between declared income/revenue and banked revenue

- Tax Evaders and Fraudsters are aware of these methods and the limitations and can work around them to conceal financial information.

Intelligence based approaches…

◉ Improves efficiency and effectiveness of Tax Authorities by:

- Helping administrators better understand taxpayers e.g. cargo consolidators
- Increasing taxpayer satisfaction and voluntary compliance – ease of compliance
- Maximizing risk detection and intelligent audits - Enforcement
- Improving macro socio-economic predictability to close the tax gap.

○ Key Role is to gather intelligence for I&E, DTD and C&BC through Information & Data Optimization.

○ Thus our audits and investigations are intelligence based.

Why specialized tax intelligence unit?

- Duplication of Efforts

- Sub optimal use of resources – Scarce Resources, channel to priority cases

- Single dimension to tax matters and inquiries by audit teams,

- Silo Mentality(Legal & Process),

- Inter Agency Cooperation – Financial Crimes/IFF facilitated by Evasion/Predicate Offence

Why specialized tax intelligence unit?

- In the 1999 article "*Less reason to be afraid? The IRS's New Approach to Financial Status Audits*" Philip R. Fink and Charles Gibson indicates that the whole purpose of the IRS audits was *to evaluate the* **_whole taxpayer from an economic point of view instead of focusing the audit on some narrow aspect or issue of tax consequence._**

- The US Supreme Court in the case of Holland v. United States [348 US 121 (1954), 54-1 USTC, 9714] stated as follows;-

- "*To protect revenue from those who do not render true accounts, the government must be free to use all legal evidence available to it in determining whether the story told by the taxpayer's books accurately reflects his financial history.*"

- The IRS has been using diverse means to collect data when conducting financial audits therefore it did not come as a surprise when in 2017, the IRS announced its interest to acquire a social media monitoring tool to monitor tax compliance.

Why specialized tax intelligence unit?

- South Africa has also put in place robust measures to monitor tax compliance through social media surveillance.

- The South Africa Revenue Service (SARS) has established a specialized unit to focus on investigations of High Net Worth Individuals whose lifestyles do not match their income and tax compliance. Through these audits, SARS has been able to take enforcement action against non-compliant taxpayers.

- In the recent case of *Commissioner for the South African Revenue Service v Hamiltonn Holdings (Pty) Ltd and Others* (2020/35696) [2021] ZAGPPHC 138 (1 March 2021), the Commissioner was able to obtain orders to seize the assets of business man, Hamilton Ndlovu, when he posted and bragged about his high-end vehicles on social media. The audit conducted by SARS showed extreme discrepancy between Ndlovu's tax returns and his lifestyle.

Do you have a special intelligence unit for tax purposes?

Taxpayer Mapping Strategy

Full Taxpayer View

To enable KRA to tailor a **future state with a 360-degree customer view through robust Taxpayer Profiling**

Data & Discovery

To give **better comprehension of taxpayers' behaviour** and enable us enhance our collection abilities, giving us full view of the unknown connections and phenomenon.

Taxpayer Profiling

To enable us to **see all heterogeneous aspects of our taxpayers**.

Intelligence-based Approaches:

Higher facilitation for cash-rich segments - Foster service culture and taxpayer facilitation and accelerated robust enforcement for deliberate defaulters.

Taxpayer Profile 1 – Homogenous View

Example: Allan Nyakundi A002994665P - A PIN	Timeline	Frequency	Total Cost to engange (KES)

Segment:	Individual
Status:	Non-compliant
Visibility:	Registered, non-active
T-History:	Nil Filing
Income Annual:	
Declared;	1,000,000 - 10,000,000
Declared;	8,000,000 - 11,000,000
Age:	63
Gender:	M
Occupation:	Auditor
Education:	B.Sc. / M.Sc.
Religion:	Christian
Race:	African (Black)
Nationality:	Kenyan (Natural)
County:	Kirinyaga

ITAX AND OTHER IN-HOUSE DATA SOURCES ONLY

$1,956Mn

Example: Segment Tier 2A;   14,667

Business Case

Sample Collected Revenue: KES 210,114,667,005

Taxpayer Profile 2 – Holistic View

Example Allan Nyakundi
A002994665P - A PIN

	Timeline	Frequency	Total Cost to engange (KES)

Segment:	Individual	Country O.R.:	Dubai
Status:	Non-compliant	City/Town O.R.:	
Visibility:	Registered, non-active	Population:	
T-History:	Nil Filing	Area Density:	
Income Annual:		Climate:	
Declared;	1,000,000 - 10,000,000	Language(s):	
Intuitive;	20,000,000 - 43,000,000	Social class	
Expense Annual:		Lifestyle:	Core Urban
Declared;	8,000,000 - 11,000,000		Tertiary Urban
Intuitive;	23,000,000 - 61,000,000		Sub-Urban
Obligations:			Contemporary Urban
Loanbook;	66,887,987		Alternative Urban
Trans.Hist;	442,000,433		Organic Urban
Category:	TIER 2A (HNWI)		Classic Urban
Age:	63	Personality:	
Gender:	M	AIO:	
Family Assc.:	4	Concerns:	
Life cycle:	Self actualisation	Personality:	
Occupation:	Auditor	Values:	
Operation:	Private Sector-Construction	Attitudes:	
Education:	B.Sc. / M.Sc.	Benefit Sought:	
Religion:	Christian	Usage & Intent:	
Race:	African (Black)	User status:	
Generation:	Y	Usage rate:	
Lifestage:	Retired-Active	Loyalty status:	
Nationality:	Kenyan (Natural)	Readiness stage:	
County:	Kirinyaga	Engagement:	
		Attitude toward service being provided by KRA:	

THIRD PARTY DATA SOURCES (TPDS)

KNBS
CAK
MNOs
Professional Orgs
Posta
NSSF
KPLC
CBK
CRB
CBC
Survey of Kenya
County
NIS
NPS
ODPP
EACC
Immigration (IPRS System)
DCI
Drone Mapping
FMCGs e.g. Bidco, Unilever

Example: Segment Tier 2A;   203,110

Business Case

Sample Potential Yield Revenue: KES 1,600,927,013,612

$14,906Mn

11. *Figure: 360 Degree Taxpayer Profiling Sample Dashboard*

Establishing an Intelligence Unit

Our resolve,

KRA will continually adopt technological solutions to complement traditional revenue collection tools geared at enhancing compliance efforts that focus on ensuring taxpayers file returns and pay correct taxes.
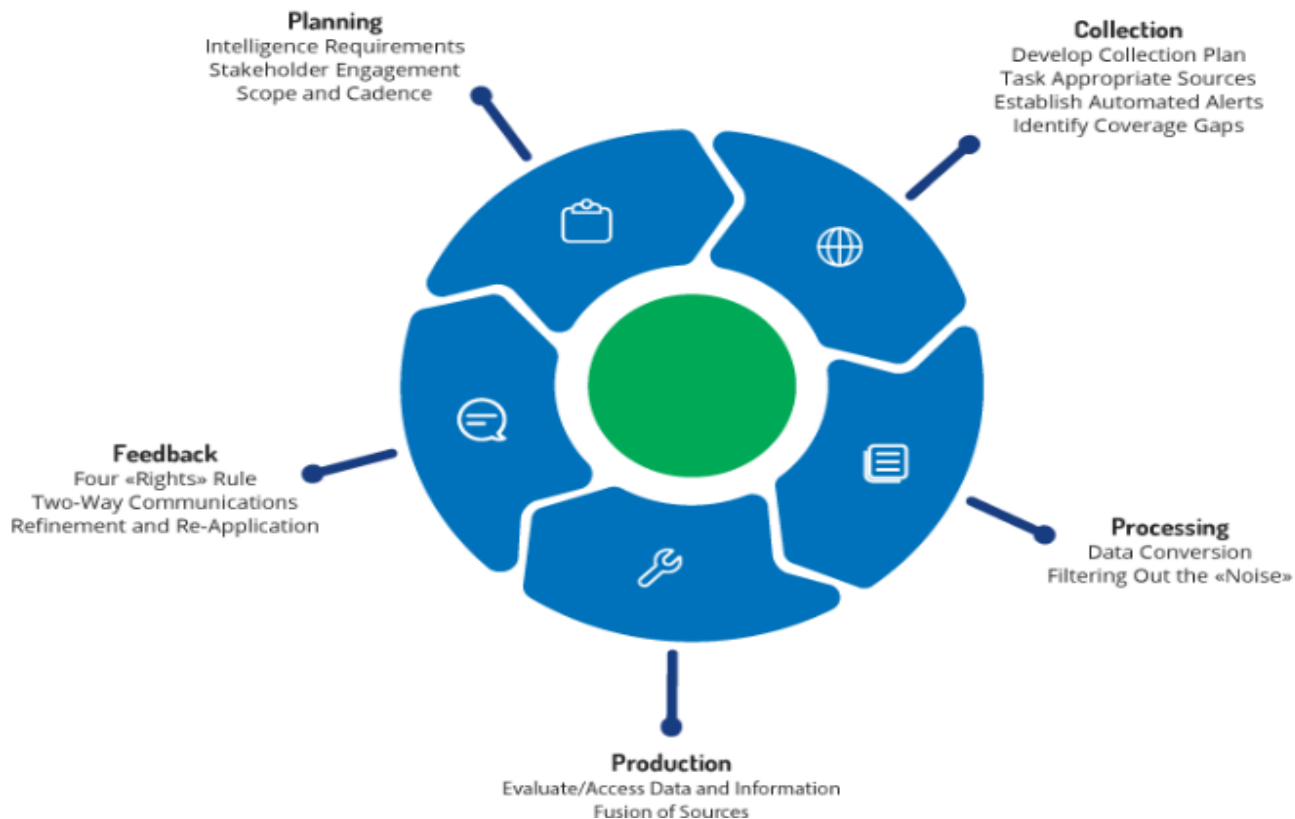
Establishing an Intelligence Unit

Key Considerations:

- Define enabling legislation

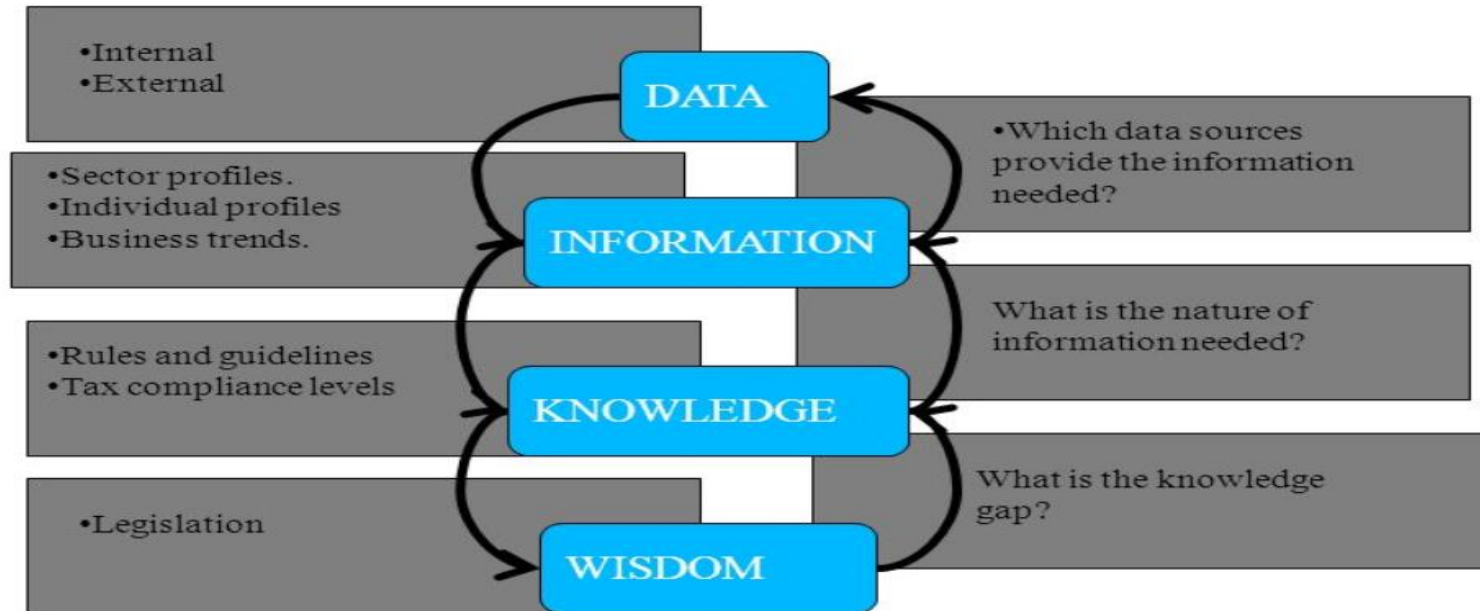- Design and Governance Model – Procedures/Processes

TAX INTELLIGENCE CYCLE

Taxpayer Profiling

Intelligence Cycle

Planning
Intelligence Requirements
Stakeholder Engagement
Scope and Cadence

Collection
Develop Collection Plan
Task Appropriate Sources
Establish Automated Alerts
Identify Coverage Gaps

Feedback
Four «Rights» Rule
Two-Way Communications
Refinement and Re-Application

Processing
Data Conversion
Filtering Out the «Noise»

Production
Evaluate/Access Data and Information
Fusion of Sources

Intelligence Life Cycle

- Internal
- External

- Sector profiles.
- Individual profiles
- Business trends.

- Rules and guidelines
- Tax compliance levels

- Legislation

DATA

INFORMATION

KNOWLEDGE

WISDOM

- Which data sources provide the information needed?

What is the nature of information needed?

What is the knowledge gap?

SOURCES OF INTELLIGENCE

Tax Intelligence activity needs to reach all data and/or information possible by means of open actions(overt) or not(covert).

Classification of Intelligence Sources

◉ Influenced by need or not to use Intelligence specialized techniques for their collection.

◉ Mainly qualified as:
- **Open source (OSINT)** is information that is publicly available
- **Closed source** is information collected for a specific purpose with limited access and availability to the general public e.g. PGA Databases
- **Classified** is information collected by specifically tasked covert means including use of human and technical

Discussion Points
- ▪ *Areas of New Intelligence – Artificial Intelligence?*

Triggers for an Intelligence Collection Activity
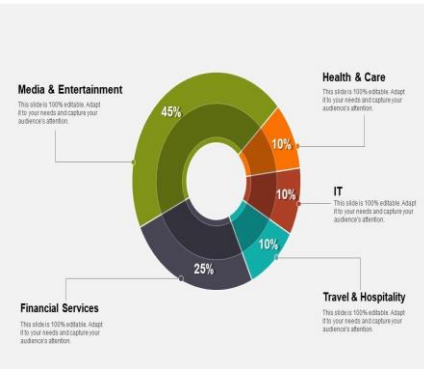
Sector Analysis/Tax Head Analysis/Predictive Data

PGAs

Informers/Whistle Blowers

Threats/Risk Assessments

Post Events – Reactive

15 MIN BREAKOUT SESSION

You are a tax inspector. Your supervisor assigns you a new case.

It is alleged that the company and its directors (local and foreign) are involved in **Tax Evasion** and **Money Laundering** across **multiple jurisdictions**.

Your supervisor asks to acquire information on the company, it's directors and the tax evasion schemes employed.

Groups 1 & 4

i. List down as many sources of tax and financial information that you are aware of.

ii. Classify the sources as either open, closed or classified?

iii. Presently, Which data sources does your organization pull from in conducting its investigations?

iv. In reference to your answers in 3 and 1 above, why aren't you using all the data sources known to you?

Groups 2 & 3

Your source indicates that the local director is a nominee director for an influential politician and has been able to obtain several communication between the two via email and WhatsApp which she can share with you. Your Tax Authority is pursuing a criminal tax evasion case on the matter.

i.   Can this intelligence be utilized in a court of law as evidence?
ii. If not, can we convert it, into admissible evidence?
iii. What alternative investigations(other than tax evasion and money laundering) can we recommend for the above case?

Sources of Information

- Internal Sources
- Government Agencies Databases – Social Security, Health Registry, FIUs, Land Registry, Police Records, Educational Institutions, Court records, Travel Records(Immigration)
- Financial Institutions – Banks, CRB, Lenders
- Business Records – Company Registry, Business Filings
- **Open Source Information** - *roughly 90% of valuable intelligence comes from open sources*
- Actual Events(Occurrence)
- Intelligence Sources(Overt/Covert)
- Warrants and Searches
- Testimonies – Own source information

1. Internal Sources

- Self Declarations/Self Fillings

- Organization's databases – Domestic Taxes, Customs and Border Control, Shared Government Databases – Single Window Systems
  <u>Considerations</u>:
  - Information Integrity – Accuracy/Relevance
  - Information Security – Reliability
  - Data Mining - Ease of Access, Methods of access

- Complaints and Information Centre (CIC) and iWhistle

Internal Sources

- Structured, Sensitive and regulated.

- Decisions to be made about which data is important to an organization.

- Data to be audited regularly as it could be outdated or even illegal due to changing regulatory frameworks.(TADAT reports)

2. Multi Agency Information Sources

To achieve successful investigations, many times, it requires coordination amongst state agencies.

Legal and **Process** gateways must exist between the relevant agencies.
NB: Enabling legislation, provides legitimate limitations to disclosures.

Mechanisms for Exchange

- direct access to information contained in agency records or databases;
- an obligation to provide information spontaneously (sometimes expressed as a "reporting obligation"
- an ability, but not an obligation, to provide information spontaneously; and
- an obligation or ability to provide information only on request.

2. Multi Agency Information Sources

Partner Government Agencies include:

- Financial Reporting Centre
- Registrar of Companies (BRS)
- Motor Vehicle Registration Systems(TIMS)
- Directorate of Criminal Investigations
- Ethics and Anti Corruption Commission
- National Intelligence Services
- Utility Bills Companies – Kenya Power and Lighting, Water Bills registrations
- National Police Services
- Land Registries – Stamp Duty and Capital Gains Taxes etc.

Multi Agency Information Sources

Examples of Information Exchanged Include;

- FRC – STRs/Bank Statements/Money Declarations

- LEAs – Requests for Tax Information on Financial crimes/ML/TF

- Immigration – Travel Records for profiling, DPOs

- Public Procurement – IFMIS database on Govt tenders and contractors

- Recruitment in the Public Sector – Requests for Taxpayer Profiles for JSC, PSC, Elective Posts

- Debt and Enforcement/Assets Tracing – Utility bills, geo locations

- Registrar of Companies – Beneficial Owners, Directors, Associated and Related Companies, Changes to Directorships etc.

- Judicial Rulings – Enforcement, Judicial Reviews

3. Open Sources – OSINT

Accounts for over 90% of valuable intelligence

- Using databases to find information
- Locating people using online records
- Obtaining financial information, and locating assets
- Public records.

Investigative Issues

Criminals may use the Internet for numerous reasons including:

- Trading and sharing information such as IDs, photos, tickets, financial data, etc.
- Display of lifestyle – trophy cabinets
- Concealing their identity
- Identifying and gathering information on victims
- Communicating with co-conspirators
- Distributing information
- Coordinating meetings, parcel drops, etc.

Social Media

Githii Mburu
Commissioner General
Kenya Revenue Authority

What Is Social Media?

The social in social media implies a conversation.

The difference between social media and TV is that with the latter, viewers seldom engage with the program makers of the show that they are watching.

Social Media Investigations

Search Engines (Index) – Preferred search engines?

- Search engines are "engines" or "robots" that crawl the web looking for new web pages.

- These robots read the Web pages and put the text (or parts of the text) into a large database or index that you can then access…

  - Google—https://www.google.co.uk

  - Bing—http://www.bing.com

  - Yahoo—https://uk.yahoo.com

  - Yandex—https://www.yandex.com

  - Index UAE—http://www.indexuae.com

- Works in 3 steps; *Crawling, Indexing , Ranking*

Google Searches

- Regional Search
- Time filter
- Google – Similar/Related
- Google Image Search
- Google Reverse Image Search
- Phrase searching: "fraud in New Zealand"
- Boolean search: AND* fraud, NOT* scam
- Google Alternative: "fraud" , -scam
- Boolean search: fraud OR scam OR swindle
- Parentheses: ( ) also known as nesting…

Beyond Google

- [DuckDuckGo — Privacy, simplified.](DuckDuckGo)

- https://search.carrot2.org/

- https://startpage.com

- www.cluuz.com

Open Sources – Useful Websites

- Finding Archived Web Pages – https://archive.org/web

- Reverse Image Search – http://www.tineye.com/

- IP/DNS Lookup Sites – http://whois.domaintools.com/

- Social media searches – https://www.social-searcher.com/

- Yandex: https://www.yandex.com

- Online newspapers: http://www.newsola.com

- People Searches:
  - https://pipl.com
  - https://www.whois.com/whois

Comprehensive list to be shared in the Resources

Documenting Intelligence – Open Sources

- Record URL's (especially Facebook)
- Email communications (keep copies of relevant correspondence)
- Screen capture – Print screen, Save As or apps such as 'Camtasia' or 'HTTrack'
- Depending on nature of case keep hard copies of screen shots, emails etc…

Pitfalls of The Internet

All enquiries will leave a footprint!
- Devices will leave footprints across the internet
- Disguise your online ID (Proxy and VPN services reroute your internet traffic and change your IP)

Consideration must be given to the type of investigation being undertaken and the risk of compromise.
- Open source carries greater risk
- Digital evidence is fragile and can be easily lost or corrupted

Secure way of browsing
- Secure your browsers –as simple as an update!
- Do not be tempted to use your own devices!
- Try; *fakenamegenerator.com*, *torproject.org*

Integrity of the investigation

Personal security

Google Cache and Privacy

- Web browsers are designed to download Web pages and store them locally on your computer's hard drive in an area called cache

- Browser cache (also know as Internet cache) contains records of every item you have viewed or downloaded whilst surfing the Internet

- When you visit the same page for a second time, your browser speeds up display time by loading the page locally from cache instead of downloading everything again.

- Internet cache can pose a threat to your privacy as everyone who has access to your computer can see some personal information by simply opening the cache folder

- In most browsers, you can clear the cache from the Privacy or History area in the Settings or Options menu, depending on the browser

4. HUMINT - Informers

- **Informer** – Any person in possession of information relating to commission of a tax offence and who passes that information to the Authority.

- Legal Authority - Guided by Section 5A of KRA Act.

- Informer Management Guidelines – guides the Process of Receiving of Information, Recording, Processing, Compensation, Filing

- Quantum of Rewards under Informer Reward Scheme provides for;
    - Information leading to recovery of un assessed taxes – Kshs. 5,000,000 (USD 50,000) or 5% of taxes identified, whichever is less
    - Others – Kshs. 500,000 (USD 5000)

- Also provides clearly for Exclusions from Rewards

4. HUMINT – Sources and Agents

A **source** refers to individuals who provide the department with valid and reliable information for recovery of taxes and tax related offences.

Source Management guidelines guides on:

- Sporting
- Recruitment
- Management
- Termination of sources and agents

Compensation of sources and agents.

Who is a Source?

- Are individuals who have been recruited for purposes of providing tax intelligence to the Authority.

- They have full access to the needed information.

- They are compensated for engagement.

- The source handler/officer has full control of the source/agent and needed information.

- They have been trained by their handlers on confidentiality and how to channel information.

- They have been validated as reliable – Source Classification either A1

5. International Sources

- Competent Authorities(**AEOI/EOIR), MLAs, DTAs**
- *UNODC-WCO Container Control Programme (CCP) – 55 Member States, Joint Port Control Units,* ContainerComm platform.
- INTERPOL – International Criminal Police Organization – 194 member countries EOI is through a communications system called I–24/7
- WCO – Regional Intelligence Liaison Offices (RILO)
- Egmont Group – informal network of FIUs
- Asset Recovery Inter–Agency Network of Southern Africa(ARINSA)

Intelligence Gathering Techniques

Key Consideration – <u>law</u>, <u>process</u> and <u>output!</u>

- Objectives
- Rights and privileges,
- Consequences of breach in law during intelligence gathering e.g. exclusion of evidence, invasion of privacy claims.

Intelligence Gathering Techniques

- Data Mining and Analytics – Manual Vs Machine Assisted (Toad for SQL and Tibco Jaspersoft) https://www.jaspersoft.com/
- Surveillance
- Reconnaissance
- Interviews
- Informers/Whistle Blowers
- Audio Visual Tools
- Search and seizure

Elicitation

- Technique used to gather intelligence through what appears to be normal, even mundane, social or professional contact.

- Normally used to confirm or expand knowledge of a sensitive program or gain clearer insight into a person targeted for recruitment.

- **Cover Story** – Usually made up stories used to gather information or to conceal identity when at risk.

- **Remember** – you are always at risk because of the nature of information that you possess or have access to.

CASE STUDIES

Taxpayer Profiling

Case Ref: Informer

Staff Question

Profile on Customs

Weight

Anonymous email

KRA

"I'm wake of tax evasion and investigation that is going on and to help build my country Kenya, I would like to bring to your attention…"

Site Visit

Cover story

Para Check

Comprehensive Findings/Taxpayer Profile

Site Visit Findings

WhatsApp Video 2022-01-03 at 19.06.59.mp4

https://businesstoday.co.ke/mabati-factory-ceo-in-court-over-sh900m-tax-fraud-case/

Charged with 11 counts

Case Ref: Luxury Motor Vehicle Theft Syndicate Trigger – International Cooperation

Offences: Transnational Organized Crime, Penal Code, Customs Acts(EACCMA)

British High Commission in Nbi requested the help of Kenya in dealing with the High Value Motor vehicle theft syndicate.

Request made through Ministry of Foreign Affairs.

Joint efforts of KRA, National Crimes Agency International Liaison Office, Interpol, Directorate of Criminal Investigations etc.

Findings:

- Entry Point – Port of Mombasa
- Destination – Neighboring Countries
- Perpetrators – network of Vehicle owners, Shippers and Forwarder (established over 50 Units)

Part Success :

- Coordinated Approach to Investigations – Signed witness statements from UK, Lost vehicle Reports availed, duality of offences.
- Vehicles Repatriated – Associated Costs
- Continued Vigilance by multiple agencies - deterrence

Case Ref: Luxury Motor Vehicle Theft Syndicate
Trigger – International Request

Kenya

Tilburry Port, London

https://africabusinesscommunities.com/news/kenya-kra-seizes-repatriates-uk-stolen-motor-vehicles/

Analysis and Production Methodologies

Intelligence Evaluation

Assessment of reliability and quality of information.
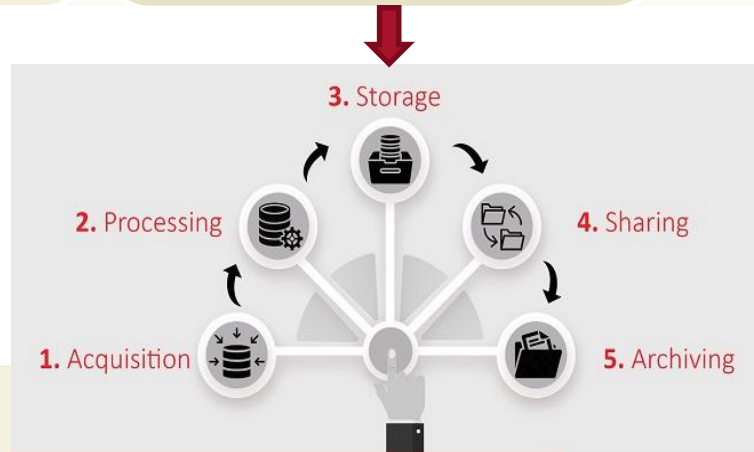
Source rating

Collation

Storage, Chain of Custody(chronologies), Working Documents(to do lists)

Analysis

Examination to make meaning; Look for indicative elements, links and associations.

Consider forensic examination, expert examiners

Analysis and Production Methodologies

Refers to process of converting data and into meaningful information.

Quantitative Vs Qualitative

- Financial Analysis - Mathematical models, financial profiles
- Situation analysis – event charting, activity charting
- Content Analysis

Outcome

- Values/Recoveries
- Relations and Networks
- Trends and patterns

Tools for Data Visualization and Analysis

Free Tools vs Purchased Tools

 i. Ms Excel

 ii. Oracle Business Intelligence, Caseware Idea

 iii. Tableau: https://www.tableau.com/products/desktop/download

 iv. Movieclips.com

 v. yEd: *https://www.yworks.com/products/yed*

 vi. IBM i2® https://www.ibm.com/security/resources/demos/i2-analyze-demo/

A Pictures Worth?

Open sources reveal a complex ownership and association of the company with....

Intelligence Reports/Summaries

- When collecting intelligence, Have the end in mind – Intelligence led Investigations/audits.

- Your report should provide a clear picture of the offender or the *modus operandi* or the matter under review.

- Report must be accurate, clear, relevant and timely.

- <u>Consider</u>:

  - Format: Intelligence Summaries/Reports/Oral Briefing
  - Supporting materials – Recorded Statements, Evidential Matter, Emails, Pictures, samples, exhibits
  - Classification of Intelligence material(Restricted, Confidential, Internal, Public)
  - Legal considerations for written reports – libel, privacy, privileges, disclosure

- Ensure you have a feedback mechanism

Sample Taxpayer Profile

- Case reference No.
- Taxpayer Name and PIN
- BLUF – Background (origin), Scheme and Estimated Taxes due
- Company Information – Reg Date, BRS No. Sector, Postal address, physical location, Reg Tax obligations, Accounting period, auditors, directors details, Bank account details, associated/related entities
- Tax Compliance Assessments – Incomes Tax analysis, VAT analysis, Customs Tax Analysis, PAYE analysis, Excise Taxes Analysis, Directors Tax Compliance
- Assets - Motor Vehicles, Vessels, Properties – (Asset tracing, Utility bills, PGAs)
- Related/Associated Companies – Registrar of Companies, Open Source
- Summary of Investigative/Audit Issues

Information Security

- ### *Tax Procedure Act, 2015*

6. Confidentiality

(1) The Commissioner or an authorized person shall, in relation to the administration of a tax law, protect the confidentiality of the documents or information obtained in the course of administering the tax law.

(2) Despite subsection (1), the Commissioner or an authorized officer may disclose documents or information obtained in the course of administering a tax law to……

- ### *Income Tax Act, Revised 2019*

41A. The Minister may, by notice in the Gazette, from time to time declare that arrangements specified in the notice, being arrangements made with the government of any country with the view of exchanging information relating to income tax or other taxes

- ### VAT ACT

(6) Every authorized officer shall, in carrying out the provisions of this Act, regard and deal with all documents and information relating to tax and all confidential instructions in respect of the administration of this Act which may come into his possession or to his knowledge in the course of his duties as secret.

Information Security

- *EACCMA*

10. (1) The Commissioners shall furnish each other with such information, certificate, official report or document on matters relating.

- **Witness Protection**

226. (1) It shall not be a requirement in any proceedings, Under this Act to disclose the fact that any person received any information relating to any Customs matter, or the nature of the information, or the name of the person who gave that information.

- *Offence for Unauthorized Disclosure*

9. (1)An officer who —

(2) A person who discloses, except for the purposes of this Act or when required to do so as a witness in any court or with the approval of the Commissioner, any information acquired by him or her in the performance of his or her duties relating to any person, firm, or business of any kind commits an offence and shall be liable on conviction to a fine not exceeding two thousand five hundred dollars or to imprisonment for a term not exceeding three years or to both such fine and imprisonment.

How Do We Handle Information Security

Background Check/Vetting of Staff

Oath of Confidentiality

Training

Culture – Clean Desk Policy, Need to Know Considerations, shredding

Access Controls – Pass Activated doors

Physical Controls – Lockers/Cabinets/File Access Monitoring/CCTVs

Repositories - Document Classification, Encryption, Access Controls

Controlled Access and Levels of approvals for Information Sharing

International Exchange of Information – OECD Guidelines

CHALLENGES

Taxpayer Profiling

Challenges in Intelligence Management

- Legality & Ethics - Taxpayer rights/privileges, Who has jurisdiction?

- Confidentiality – Taxpayer rights and Privileges, Privileged Information

- Bureaucracy and Silo Mentality

- Complexity of tax fraud and financial crimes - Digitization, Cross Border(ownership), volatility of digital intelligence

- Feedback

Feedback Session

SUMMARY

Participants to list their take home from the session