

J5



JOINT CHIEFS OF GLOBAL
TAX ENFORCEMENT

The J5 Report



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Introduction

In 2018, five like-minded tax agency chiefs from five countries around the world got together to start what is known as the Joint Chiefs of Global Tax Enforcement, or the J5. The J5 was launched following a call from the Organisation for Economic Co-operation and Development (OECD) for international partners to do more to tackle the enablers of tax crime. The five chiefs who originated the J5 spearheaded the organisation to specifically focus on shared areas of concern and cross-national tax crime threats. Those threats include cybercrime and cryptocurrency, as well as enablers of global tax evasion. The J5 exists to combat tax and other financial crimes that affect the jurisdictions of Australia, Canada, the Netherlands, United Kingdom (UK), and the United States (U.S.).

The J5 is comprised of the Australian Taxation Office (ATO), the Canada Revenue Agency (CRA), the Dutch Fiscal Intelligence and Investigation Service (FIOD), His Majesty's Revenue and Customs (HMRC), and the Internal Revenue Service Criminal Investigation (IRS CI). All five countries face similar threats — organised crime groups and wealthy offshore tax evaders who are well-resourced and have access to professional enablers to hide income and assets using the global financial system.

Taking advantage of each country's strengths, the J5's initial focus was to share information in a more efficient manner. Within the framework of each country's laws, J5 countries currently share information to open new cases and more efficiently investigate existing ones. The J5 is focused on investigations involving sophisticated international enablers of tax evasion previously thought to be beyond the reach of the member countries. Our agencies also cooperate on cases covering crimes from money laundering to personal tax frauds and evasion.

Experts from the J5 countries have seen indications that tax offenders are embracing more complex methods to conceal their wrongdoings, creating multiple mechanisms and structures that are split across jurisdictions, taking advantage of those areas that offer secrecy and regulatory benefits. The J5 finds itself continuously adapting to the latest criminal methods and changing behaviors to prioritise the collective operational activity to tackle this dynamic threat picture.

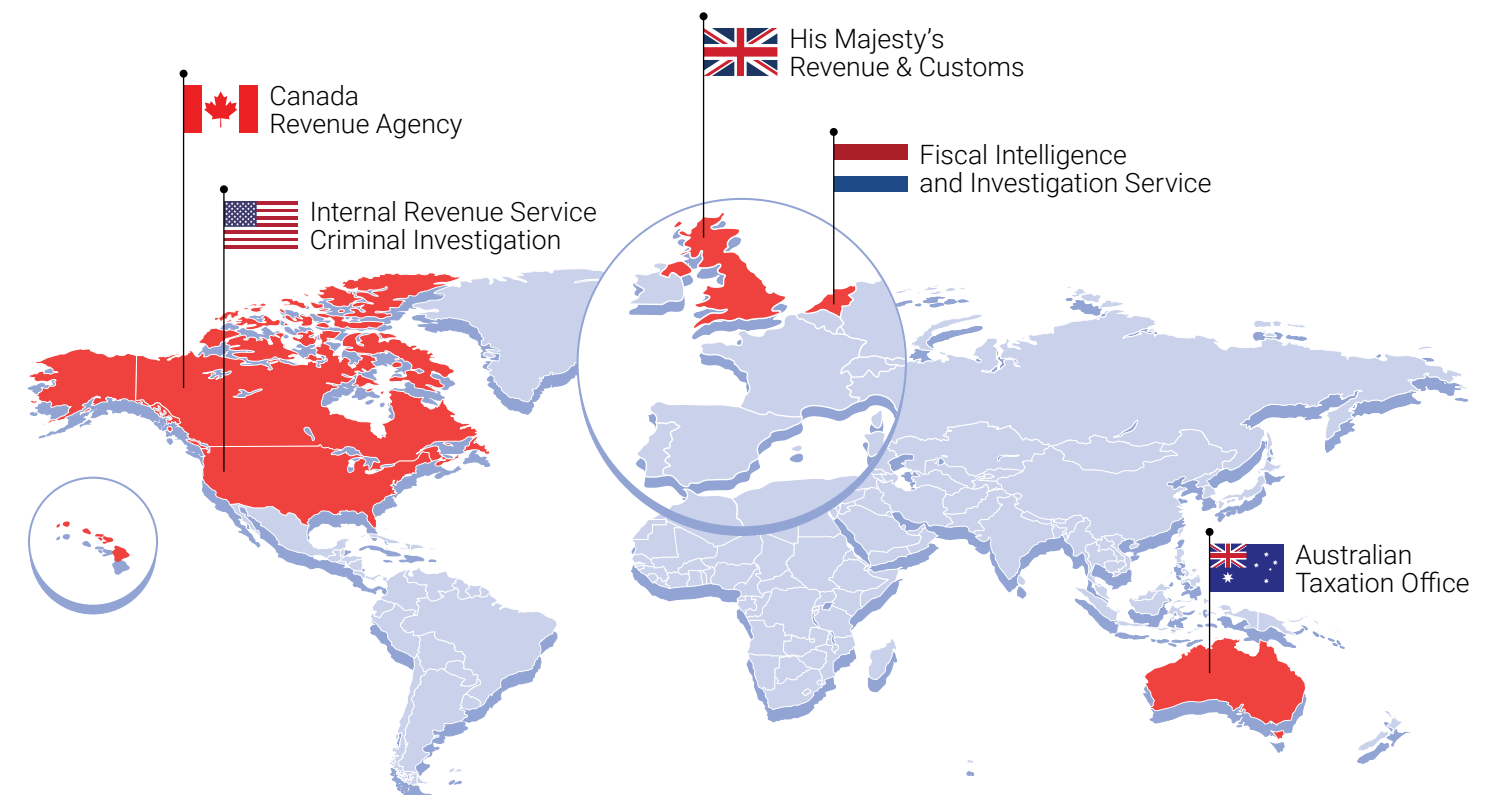
Since the inception of the J5, leading data scientists, technology experts and investigators from all J5 member countries have met together in events known as Challenges aimed at developing operational collaboration. The goal of these events is to identify, develop, and test tools, platforms, techniques, and methods that contribute to the mission of the J5. Working within existing laws and treaties, real data sets from each country are brought to the Challenges to make connections that yield better results than each country working independently.

The first Challenge was hosted in 2018 by FIOD. The participants focused on tracking down those who make a living out of facilitating and enabling international tax crime. The following year, the U.S. hosted a second Challenge in Los Angeles with a focus on cryptocurrency. Subsequent Challenges in the UK and Canada have focused on nonfungible tokens (NFT) and decentralized exchanges. Each of the Challenges have produced significant leads for each country to investigate.

In 2022, the J5 hosted the inaugural Global Financial Institutions Summit (GFIS) in the UK — the start of ambitious talks between the J5 and some of the world's biggest banks. Later that year, more than 75 representatives from international financial institutions and tax enforcement agencies gathered in the U.S.

to build strategies to tackle tax crime together and formalized a long-term Global Financial Institutions Partnership (GFIP) strategy and goals to tackle tax and related financial crimes on a global level. As the J5 goes forward, it will continue to develop opportunities, actions and policies to enhance public-private collaboration in response to tax crimes.

The J5 is extremely proud of the early successes of the first several years and looks forward to more as this international group hits their stride. The J5 will continue to expand its work and develop further collaborations and shared strategies to tackle transnational tax crime, cybercrime and money laundering. Stay tuned, as the best is yet to come.



- Australian Taxation Office
- Canada Revenue Agency
- The Dutch Fiscal Intelligence and Investigation Service
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- IRS Criminal Investigation



Cyber Group

The J5 Cyber Group seeks to identify and work the largest, most impactful cryptocurrency related cybercrime investigations in the world related to tax evasion, money laundering, and other related financial crimes. The J5 Cyber Group is comprised of some of the most skilled cybercrime and cryptocurrency investigators in the world. Some J5 Cyber Group highlights include:

- [Three Men Arrested in \\$722 Million Cryptocurrency Fraud Scheme, December 10, 2019;](#)
- [Tornado Cash Founders Charged With Money Laundering And Sanctions Violations, August 23, 2023; and](#)
- [Three Individuals Charged for Roles in \\$1.89 Billion Cryptocurrency Fraud Scheme, January 29, 2024.](#)

These results showcase the capability, development and progress of the J5 Cyber Group since its inception in 2018. The J5 Cyber Group is currently working on 30+ additional high-impact global investigations. Each investigation involves two or more J5 member countries. The J5 Cyber Group investigative model is specifically designed to target transnational criminal actors and organisations while normalizing and prioritising transnational cooperation and coordination.

J5 Cyber Challenge

Every year since 2018 (except for a pause in 2020 due to COVID-19) the J5 Cyber Group has held an annual in-person cyber challenge to collaboratively find and develop the largest and most impactful cybercrime and cryptocurrency investigations in the world. The 2023 J5 Cyber Challenge was hosted by the CRA in Ottawa, Canada, with a focus on Financial Intelligence Unit (FIU) Suspicious Activity Report Data and Blockchain mining capabilities across the five countries. All five member countries and their respective FIUs attended the weeklong event and worked side-by-side to share information and develop leads. Investigators, personnel from three blockchain analysis companies, computer scientists, and investigative analysts were in attendance to assist with lead development. Over 100 leads were shared and more than 10 new operations are already underway.

Training Delivery

The J5 Cyber Group's knowledge, skills, and abilities are in demand. Our team has provided training and outreach to agencies outside of the J5 nations such as the South Africa Tax Authorities, Israeli Tax Authorities, Inland Revenue Authority of Singapore, Taiwan National Police Agency, OECD Cyber Group, Singapore Police Force, Royal Thai Police, Ukrainian Cyber Police, and others.

Cyber Group Stats

J5 Cyber Group

30+

Current High-Impact Global Investigations

J5 Cyber Challenge

100+

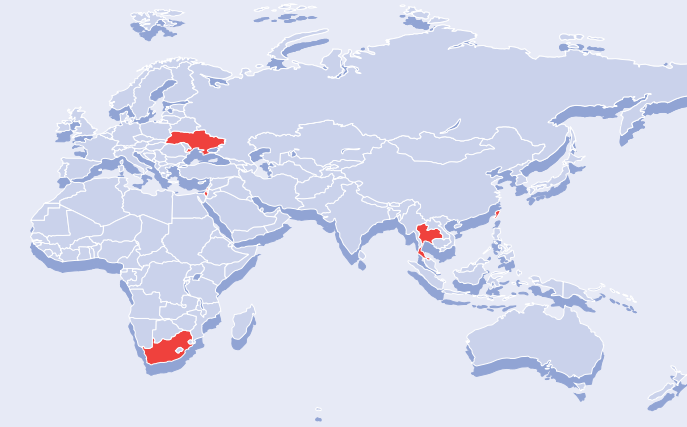
Leads Shared

10+

New Operations Underway

Training Delivery

South Africa • Israel • Singapore
Taiwan • Thailand • Ukraine • and others



Monetary Impact

\$123+M

Monetary Impact (ATO)

\$333+M

Asset Forfeiture and Monetary Seizures (IRS CI & AFP)

\$25M

Cryptocurrency Seizures (FIOD)

Cyber Partnerships

The goal of this group is to cultivate a larger community with respect to data-sharing, gathering, analyzing, and data-driven decision making. The J5 Cyber Group has begun to develop a network with cryptocurrency exchanges to engage in real-time efforts to investigate cyber and cryptocurrency related criminal activities. The J5 Cyber Public-Private Partnership (PPP) has allowed for information exchanges between the public and private sectors related to industry trends and criminalities in real-time. In addition, this partnership has led to many informal meetings to develop, evolve, and iterate compliance within the digital assets space and further investigative efforts into tax and related financial crimes.

Monetary Impact

The J5 Cyber Group looks to recover criminal proceeds as well as taxes on unreported income. J5 cybercrime and cryptocurrency investigators trace cryptocurrency and fiat funds across borders and blockchains to successfully combat tax evasion and global financial crimes. Some high-impact results include:

- \$123,000,000+ in monetary impact across four operations by the ATO;
- \$333,000,000+ in asset forfeiture and monetary seizures by IRS CI and Australian Federal Police (AFP); and
- \$25,000,000 in cryptocurrency seizures by FIOD.



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Professional Enabler Group

The J5 Professional Enabler Group works with domestic and international partners to deliver on the J5 mission.

The main focus of the group is to use a range of criminal, civil, regulatory, administrative and intelligence powers to disrupt and close the net on high-value targets. The group also tackles those institutions, promoters and service providers who facilitate and enable tax evasion and money laundering.

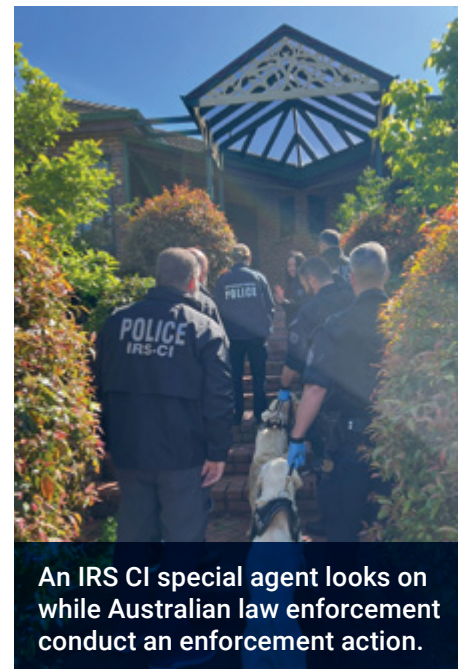
It does this by identifying criminal methodologies, typologies and emerging trends to map the pathways, structures and jurisdictions through which illicit funds flow.

To drive this work, the group uses various legal channels that permit the lawful sharing of information to carry out impactful operations.

By using existing legal frameworks, the group supports the execution of search warrants and interviews, and facilitates the process of assisting our partners in tracking down fugitives.

The group regularly engages with wider public bodies, including those regulators and supervisors who have oversight of the financial and service provider industry.

Through enhanced PPPs, it helps businesses protect themselves from criminal attacks by ensuring they have robust due diligence and risk management practices in place.



Highlights Include:

- Euro Pacific Bank (EPB) was at the centre of a global Day of Action by the J5 in 2020, as part of an investigation into suspected tax evasion and money laundering. The Puerto Rico Office of the Commissioner of Financial Institutions suspended operations of the bank in June 2022 for breaching its capital requirements. It has since been liquidated.
- Hundreds of EPB account holders in J5 countries have been contacted and investigated because of the work of the group. This has led to a number of criminal investigations in the UK, which are ongoing.
- The group played a pivotal role in uncovering a suspected boiler room scheme that targeted individuals around the globe. This included interviewing victims and identifying bank accounts that were used in the suspected fraud. As a result, 10 people were indicted and charged with conspiracy to commit wire fraud, conspiracy to commit money laundering, and aggravated identity theft in October 2021. A further five defendants were charged in February 2022. These individuals are suspected of opening bank accounts in the U.S. to funnel funds from victims into corporations named to mirror well-known investment firms.
- In 2023, a U.S. businessman became the fifth defence contractor to plead guilty to tax evasion linked to the formation of a joint venture incorporated in the United Arab Emirates to provide internet services to U.S. military personnel at Kandahar Airfield in Afghanistan. Those who plead guilty had used an array of layered offshore shell companies and nominee bank accounts to evade at least \$300 million in U.S. taxes linked to contracts totalling approximately \$7 billion. The U.S. Attorney's Office thanked HMRC of the UK for their extensive assistance in this matter.

Global Day of Action in the News

Five countries unite in global tax evasion crackdown

By Robbie Lawther, 25 Jan 20

EDITORS' PICK

Tax Chiefs Combine Forces In Global Tax Evasion Fight

Kelly Phillips Erb Forbes Staff
Kelly Phillips Erb is a Forbes senior writer who covers tax.

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Jan 23, 2020, 12:32pm EST



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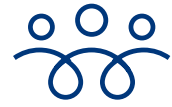
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Global Financial Institutions Partnership

The J5 GFIP is an international PPP, seeking to tackle tax fraud and wider associated tax crime by bringing together the J5 Chiefs and senior leaders in financial crime compliance from major international banks, banking representative bodies and influential senior leaders from wider organisations.

The partnership leverages capabilities and resources from both the public and private sectors to support the J5 mission. In doing so, the GFIP strengthens the joint response to tackling international tax crime, by delivering an enhanced approach to shared challenges.

The GFIP convenes senior representatives annually at a Summit, where key stakeholders gather to strategise, collaborate, and share insight and expertise on combating tax fraud and financial crime in partnership. The latest Summit was held in Amsterdam in November 2023, gathering more than 100 participants from all J5 countries from both public and private sectors. Challenges and opportunities in tackling, managing, and mitigating existing and future tax and financial crime risks were discussed, leading to an evolution in the workplan from a focus on strategic acknowledgment of international PPP to encouraging operational results within the GFIP against tax and financial crime.

To date, the GFIP has engaged more than 20 global financial institutions, bringing together subject matter experts from the five jurisdictions to take a strategic approach to collaborating on shared priority threats. This collaborative approach is progressed through Threat Projects, with three key projects currently underway:

- Misuse of Fintech to Enable Tax Evasion and Money Laundering
- Identity-Based Crime Typologies
- Trade-Based Money Laundering

GFIP Summits

	May 2022 London
	December 2022 New York
	November 2023 Amsterdam
	October 2024 Ottawa



Outreach/Speaking Events

The J5 takes its leadership role in the international tax community seriously and regularly provides speakers for conferences and other outreach opportunities. By speaking about partnerships within the J5 to audiences with similar goals, the J5 hopes to further expand its network of those who can assist in current and future investigations. The J5 also recognizes that partnerships outside of the J5 are as important as those

partnerships within. By speaking at events all over the world, the J5 is sending the signal that they are open to working with any entity that genuinely desires to work with the J5 – or one of its member countries. By spreading the word about the innovative work taken on by the J5, it is hoped that criminals operating in these spaces find it harder to conduct their nefarious business and cease to exist.



The J5 Chiefs sign an agreement in Sydney, Australia.



J5 leadership meet in Washington, DC.



J5 leadership participates in a panel at Chainalysis' LINKS conference.



Two J5 Chiefs participate in a discussion at the Cambridge Economic Crime Symposium.



J5 Chiefs record a podcast in Australia.



Timeline

2018

- June**
Meeting in Canada, J5 is formed and announced.
- November**
J5 countries host first Crypto Challenge in Utrecht, Netherlands.



2019

- June**
Chiefs meet in Washington, U.S.
- November**
Crypto Challenge held in Los Angeles, U.S.

2020

- January**
A multi-country Day of Action is launched around the globe, targeting professional enablers.
- February**
FIOD arrest two men in connection with two criminal investigations on suspicion of money laundering using cryptocurrencies.
Chiefs meet in Sydney, Australia.
- July**
A Romanian man is arrested in Germany after admitting to conspiring to engage in wire fraud and offering and selling unregistered securities in connection with his role in the BitClub network – a cryptocurrency mining scheme worth at least \$722 million.

2021

- March**
A Sky Global executive and associate is indicted for providing encrypted communication devices to help international drug traffickers avoid law enforcement.
A Brooklyn man is charged in long-running international insider trading scheme.
Crypto Challenge held virtually, focusing on FINTECH industry.
- October**
Ten people charged in years-long, multimillion-dollar investment and impersonation scheme.

2022

- February**
Five defendants charged in \$8.4 million 'Boiler Room' fraud and money laundering scheme.
Former defence contractor executive pleads guilty to tax evasion.
- March**
Another former defence contractor executive pleads guilty to tax evasion.
- April**
J5 releases NFT Red Flags to warn public of risks.
- May**
GFIS held in London, UK.
J5 releases sanctions Red Flags to warn of risks.
Crypto Challenge held in London, UK.
UK hosted the first J5 in-person PPP workshops focusing on 8 significant threat topics.
- July**
GFIP hosted a virtual meeting ahead of the second summit.
- August**
Former Senior Executive of Defence contractor pleads guilty to tax evasion.
- December**
Second GFIS held in New York, U.S.
J5 launches international probe into sales suppression software.



2023

- July**
International tax advisor arrested for helping to conceal over \$100 million of income for high-net-worth U.S. taxpayers.
GFIP hosted a virtual meeting ahead of the third summit.
- August**
Tornado Cash founders charged with money laundering and sanctions violations.
- September**
Crypto training provided to Ukrainian Law Enforcement in Frankfurt, Germany.
All five Chiefs speak at Cambridge Economic Crime Symposium.
- October**
Crypto Challenge held in Ottawa, Canada.
- November**
Founders and Executives of Digital-Asset Company charged in multi-million dollar international fraud scheme.
Third GFIS held in Amsterdam, Netherlands.

2024

- January**
Three individuals charged for roles in \$1.89 billion cryptocurrency fraud scheme.
- May**
Crypto Asset Investigations training held in Brisbane, Australia.
Red Flag indicator paper issued through FIU's regarding crypto assets risk.



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BitClub & Multimillion Dollar Investment Scheme

BitClub Promoter Admits Guilt In \$722M Crypto Ponzi Scheme


US Man Pleads Guilty in \$722 Million Bitclub Network Ponzi Scheme Case



A Bitclub Network Ponzi scheme promoter has admitted to charges of selling unregistered securities and to subscribing to a false tax return in connection with his role in the \$722 million fraud scam. The man, Joseph Frank Abel, pleaded guilty by video conference before U.S. District Judge Claire C. Cecchi.

Co-creator of Bitcoin Ponzi scheme BitClub pleads guilty

Silviu Catalin Balaci confessed that he helped create and operate BitClub, which took \$722 million in Bitcoin from its victims.



J5 Crypto Challenges

Int'l tax enforcement chiefs target NFTs and DeFi

By Michael Cohn May 10, 2022, 2:02 p.m. EDT 5 Min Read

Global Tax Enforcement Group To Mull Whistleblower Program

By Dylan Moroses May 10, 2022, 3:15 PM EDT

Global tax enforcement chiefs target cryptocurrency

By Michael Cohn February 04, 2021, 1:51 p.m. EST 5 Min Read

Five international tax enforcement heads, including from the Internal Revenue Service's Criminal Investigation unit, have been meeting this week to discuss their joint initiatives for combating tax evasion.

Operation Jetsetter

Wellington man failed to report nearly \$870K in income working for a defense contractor

Jane Musgrave Palm Beach Post Published 5:04 a.m. ET April 29, 2022

Former Defense Contractor Manager Pleads Guilty to Tax Evasion

U.S. Attorney's Office, District of Columbia

Concealed More Than \$870,000 in Income

WASHINGTON - A former manager for a defense contractor pleaded guilty today to tax evasion.

According to court documents and statements made in court, from 2010 through 2016, Ronald L. Thomas, of Wellington, Florida, worked in Afghanistan, Oman and the United Arab Emirates for a U.S. Department of Defense contracting company as a project director and in other roles. In 2016 and 2017, Thomas served as a paid consultant for a Mexican oil and gas venture. From 2010 to 2017 Thomas evaded taxes owed to the IRS by underreporting to his tax preparer the salaries and bonuses he earned for each of those years. In total, Thomas did not report approximately \$870,000 in compensation he earned from 2010 through 2017, causing a tax loss to the government of more than \$227,000.

Operation Furnace

Alleged 'Boiler Room' Operator Convicted Of \$2M Fraud

By Rachel Scharf (April 28, 2022, 6:04 PM EDT) -- The alleged operator of an overseas "boiler room," where high-pressure salespeople often offer shady financial products, was found guilty Wednesday of swindling \$2 million from would-be securities buyers who thought their money was being handled by reputable Manhattan brokerage firms.

Mysterious 'Mr. T' behind global boiler-room scam found guilty of stealing \$2 million from elderly victims

Robert Lenard Booth set up phony brokerages with names similar to real ones and pressured victims to buy stocks they never received

Robert Lenard Booth was charged with running a high-pressure boiler-room stock sales operation, like this one from the 2000 film 'Boiler Room.'

NFT Red Flag Indicators

IRS: J5 Releases List of Non-Fungible Tokens Red Flags Indicators to Warn Public of Risks

Joint Chiefs of Global Tax Enforcement (J5) — bringing together authorities of the United States, United Kingdom, Canada, Australia, and the Netherlands — released an intelligence bulletin warning banks, law enforcement personnel, and private citizens of some of the dangers when dealing with Non-fungible Tokens (NFTs), the IRS announced. The "J5 NFT Marketplace Red

US interstate tax consortium J5 lists NFT marketplace red flags

A global joint operational group that combats transnational tax crimes has issued its first-ever guidance on NFTs. The Joint Chiefs of Global Tax Enforcement (J5) listed some red flags that law enforcement authorities must watch out for as they police NFT marketplaces, including fake token giveaways and phishing scams.

Formed in 2018, J5 is composed of tax officials from five countries spread across three continents—the U.S., Canada, the U.K., the Netherlands, and Australia. These officials work together to gather information, share intelligence and conduct joint operations that build towards cracking down on tax-related crimes.



Australian Taxation Office

The ATO is the Australian Government’s principal revenue collection agency. As the continued custodian of the tax, superannuation and registry systems, the ATO takes this stewardship role seriously, supporting the delivery of government benefits to the Australian community. This includes:

- Collecting revenue
- Administering the goods and services tax (GST) on behalf of Australia’s states and territories
- Administering a range of programs that provide transfers and benefits to the community
- Administering major components of Australia’s superannuation system
- Being custodian of the Australian Business Register

Tax is an important revenue for the government, used to fund essential community services such as health, education and infrastructure, essential for the country’s economic sustainability. The Australian community never relied so heavily on community services as it has in the past few years, bringing a sharp focus on the need for compliance.

Setting the highest of standards for themselves, the ATO continues to be a world-leading tax, superannuation and registry administrator that has built sustainable systems with high tax performance. Known for their contemporary service, expertise and integrity, the ATO contributes to the economic and social wellbeing of Australian citizens by fostering willing participation through prioritisation of helping people understand their tax and super obligations. This results in the ATO achieving high levels of compliance and provides assurance that the agency deals with those who don’t comply.



An ATO investigator collects evidence.

Strengthening Our Systems

Through technology, law reform, as well as domestic and international collaboration, the ATO continues to strengthen systems, making Australia a less attractive place for tax criminals. Using data-driven insights, sophisticated risk modelling with new technology and approaches to identify and take action to protect information and revenue. With developed partnerships with other organisations, firm action is taken when necessary, including seizing profits from tax crimes and implementation of systems that remove the opportunity to repeat offenses.

The ATO and J5

The ATO has had great success through a formal taskforce approach to deal with tax criminals. Domestically, through the Serious Financial Crime Taskforce, the ATO has progressed cases that have resulted in the completion of 2,227 audits and reviews, and convictions and sentencings of 45 people. This has resulted in raised liabilities of almost \$2.4 billion, collections of \$1.0 billion and restrained assets of more than \$307 million through proceeds of crime.

The J5 is a natural extension for the ATO, supported by the [Serious Financial Crime Taskforce agencies](#). The J5 created a global opportunity to harness the expertise of international specialists, working around the world and around the clock to catch tax evaders on their home turf. The J5 share intelligence and data at a near real-time pace and build international capabilities to deploy international solutions with a force multiplier effect. The J5 has enhanced community confidence through leveraging communication with the media and the community showcasing their achievements. ATO’s emerging work in collaborative PPPs will continue to enhance this success.



John Ford



An ATO investigator collects evidence.



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Canada Revenue Agency

The CRA administers the tax laws for the Government of Canada and most provincial and territorial governments. The CRA collects taxes, administers tax law and policy, and social economic benefits and incentive programs on behalf of governments across Canada, thereby contributing to the ongoing economic and social wellbeing of Canadians.

The Canadian Government is also committed to protecting Canada’s tax base and takes appropriate action to address cases of non-compliance with Canada’s tax laws. The CRA maintains various programs to protect the integrity of the tax system by making sure that people who try to avoid or evade paying their taxes are held accountable. As part of its commitment to cracking down on tax evasion and avoidance, both domestically and internationally, the CRA continues to enhance its capacity to deter and detect these activities.

When individuals and/or businesses make deliberate and intentional decisions that do not comply with the Acts administered by the CRA, they face possible criminal investigations which could lead to criminal charges, prosecutions, court-imposed fines, jail time, and a criminal record. In addition to the court-imposed fines and/or jail sentences, convicted taxpayers have to pay the full amount of tax owing, plus related interest and any penalties assessed by the CRA.

Criminal Investigations

As part of the compliance continuum, the CRA’s Criminal Investigations Program (CIP) plays a crucial role in protecting Canada’s tax base by investigating significant cases of tax evasion, tax fraud, and other financial crimes. Going after those who deliberately choose not to pay their taxes helps to maintain public confidence in the Canadian voluntary self-assessment tax system.

The CRA’s CIP is focusing on investigations that will have the greatest impact on compliance, namely:

- Significant cases of tax evasion with an international element;
- Promoters of sophisticated and organised tax schemes;
- Joint investigations with other enforcement agencies, including cases of tax evasion involving money laundering;
- Significant cases involving income tax and/or Goods and Services Tax/Harmonized Sales Tax (GST/HST) tax evasion, including the underground economy; and
- Significant cases of benefit fraud.

A CRA criminal investigation involves many steps such as gathering evidence, interviewing taxpayers and witnesses, executing search warrants, and analyzing evidence. The length of time required to investigate will be dependent on the complexity of the case, the number of individuals and/or corporations involved, the availability of evidence, the need for international requests for assistance, and the level of cooperation of witnesses, all of which serves to determine whether criminal charges are warranted.

Once an investigation has been carried out, the CRA will refer the case to the Public Prosecution Service of Canada (PPSC) for possible criminal prosecution. It is the role of the PPSC to decide whether to pursue criminal charges under the Canadian Income Tax Act, Excise Tax Act, or Criminal Code, and to conduct criminal tax prosecutions. After a case has been referred to the PPSC, they will independently review the evidence and decide whether to initiate and conduct a prosecution on behalf of the federal Crown.

Willfully choosing not to follow Canada’s tax laws can result in serious consequences. In fact, under the income tax and excise tax laws, being convicted of tax evasion can include court-imposed fines ranging from 50% to 200% of the evaded tax and up to five years in jail. Additionally, being convicted of tax fraud under Section 380 of the Criminal Code carries a sentence of up to 14 years in jail.

The CRA and the J5

Tax crime is a global problem that requires a global solution. Therefore, it is important for the CRA to strengthen the key partnerships necessary to keep pace with the evolving global challenges of combating tax evasion, tax fraud, and other tax crimes.

In working with our domestic and international partners, the CRA shares knowledge, expertise, and best practices and identifies tax schemes and their participants. The CRA remains engaged with tax administrations around the world on a number of projects and finds ways to collaborate on a variety of international tax risks, notably through the J5. This initiative provides opportunities for increased information sharing and collaboration in the fight against international and transnational tax crime and money laundering.

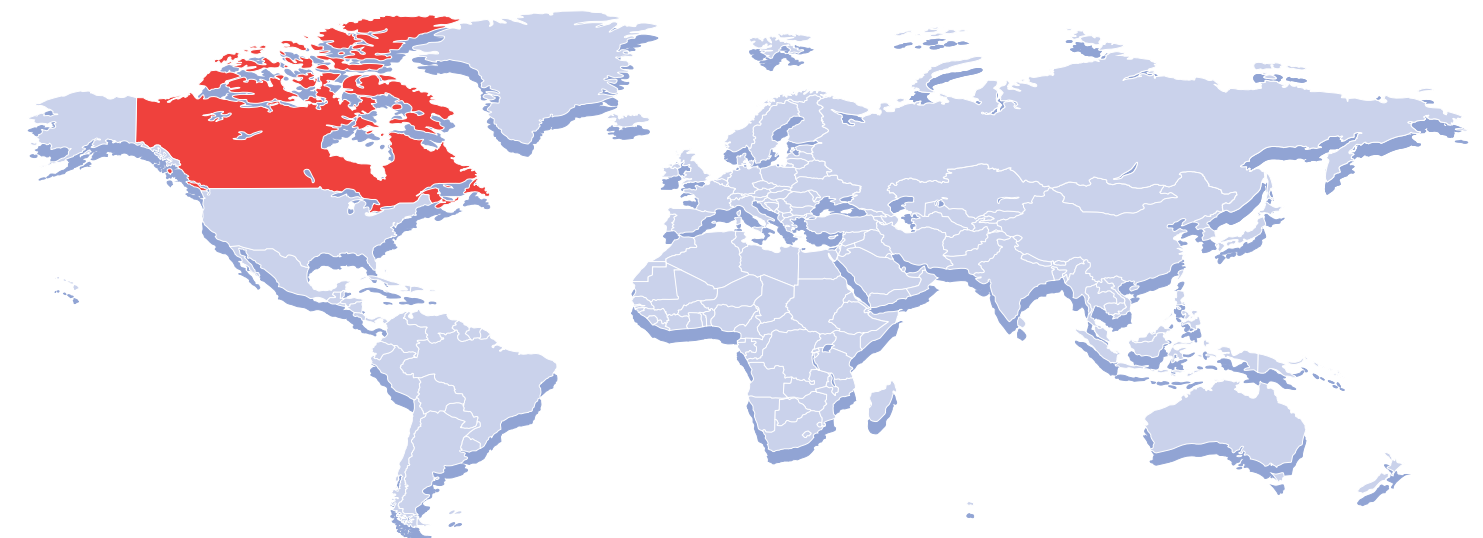
As an active member of the J5, the CRA is enhancing its capabilities to put pressure on the global criminal community in ways it could not achieve on its own.



Eric Ferron



CRA employees confer with one another.



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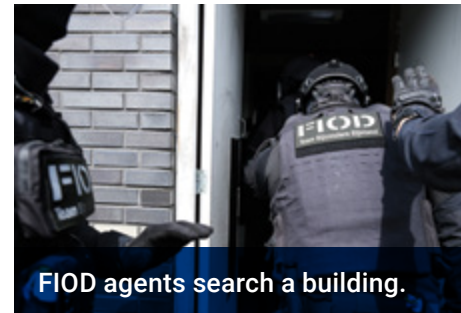
The Dutch Fiscal Intelligence and Investigation Service

The Detection of Financial and Tax Crime

FIOD tackles financial and fiscal crime in the Netherlands. FIOD is one of four special investigation services within the Netherlands and part of the Ministry of Finance and part of the Tax Administration. Under the authority of the public prosecutor, FIOD is responsible for the criminal law enforcement in the policy areas of the Minister of Finance.



FIOD also works for other ministries, at all times under the authority of the Public Prosecutor's Office – in particular the National Public Prosecutor's Office for Financial, Economic and Environmental Offences and the European Public Prosecutor's Office. The Special Investigation Services Act sets out the mission: a broad approach to financial and fiscal crime.



FIOD focuses on tackling financial and fiscal crime. Its work and tasks have long since ceased to be only about fiscal fraud cases, and it cooperates in investigations where the underworld and upper world meet and undermine society. This goes beyond "white collar" fraud. FIOD focuses on rogue facilitators and criminal partnerships (CSVs) and individuals who knowingly commit fraud on a large scale.

FIOD originates from the tax investigation department of the Inland Revenue and that is where FIOD's specific knowledge and expertise of detecting financial and fiscal crime lies. From this background, the agency is able to analyze financial administrations and tax and accounting constructions.

Over time, FIOD's range of tasks has expanded. Moreover, FIOD is currently part of the government-wide approach of non-fiscal themes, such as tackling money laundering. This has led to the establishment of knowledge centers such as the Anti-Money Laundering Centre (AMLC) and the Anti-Corruption Centre (ACC) to tackle money laundering and corruption.

FIOD is aware that – unlike its approach to fiscal crime – for a broader approach to financial crime, the agency needs to depend on PPPs. FIOD makes a solid contribution in this arena by deploying their financial and fiscal knowledge and expertise. This is especially useful in tackling digital money flows and cryptocurrencies, where criminal activity is expected to grow in the coming years as digital assets become more integrated into the global economy.

The Strength of FIOD

FIOD has several strengths, including knowledge of and expertise in financial and tax investigations and the ability to penetrate complex financial structures and dig into them deeply and assiduously. It aims to capture criminal assets and disrupt and terminate the activities of criminal organisations.

Additionally, FIOD has a unique combination of tasks and legal powers. This allows the agency to bring together lots of information and data sources.

FIOD has the knowledge and expertise to interpret tax information and use it in its work. In national and international partnerships, it looks for opportunities to strengthen information and data positions and contribute effectively to the resilience of society.





His Majesty's Revenue and Customs

HMRC is the UK's tax, payments, and customs authority, which has a vital purpose: collect the money that pays for the UK's public services and help families and individuals with targeted financial support.

HMRC does this by being impartial and increasingly effective and efficient in its administration. HMRC helps the honest majority to get their tax right and makes it hard for the dishonest minority to cheat the system.

HMRC's work covers 45 million individuals and five million businesses. The most efficient way to get tax right across these vast groups is for HMRC to guide the taxpayer by intervening before anything has the chance to go wrong.

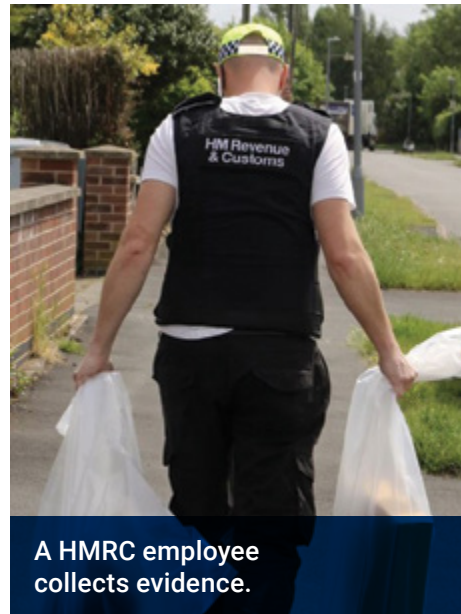
A well-designed tax system prevents non-compliance before it can occur, while making things easier for taxpayers and allowing HMRC to focus its resources where those resources can make the most difference.

That includes creating policies that make it easy for people to do the right thing. HMRC's aim is to design the tax system in a way which reduces the possibility of making a mistake, and in a way that makes some historical forms of non-compliance nearly impossible.

HMRC's approach is underpinned by cutting-edge data analysis, which the agency uses to identify where tax is most at risk of not being paid and design tailored, targeted and proportionate interventions to address it.

That includes using criminal and civil powers where HMRC believes a business or individual is trying to cheat the tax system. After all, this cheats the public out of money that goes into those services they rely on every day.

HMRC is on the side of the law-abiding majority. By tackling the most serious forms of tax crime it creates a level playing for businesses and citizens so they aren't disadvantaged or impacted by the criminal actions of others.



A HMRC employee collects evidence.

To that end, HMRC has a 5,000-strong team of specialist investigators, forensic accountants, digital experts, and tax specialists solely dedicated to tackling the most serious frauds.

HMRC takes robust action to make sure that everyone pays the tax due – from individuals operating in the hidden economy through to action against sophisticated organised crime groups, and complex investigations into offshore structures used to hide earnings and other assets.

Since the launch of the Fraud Investigation Service in 2016, HMRC has protected and secured tens of billions of pounds for vital public services and put thousands of criminals behind bars.

The adoption of new technologies and the use of more sophisticated methods by fraudsters has increased the complexity and scale of investigations.

Tax crime is also becoming increasingly global. That's why the agency's work as part of the J5 is so important.

All countries face similar threats – organised crime groups and wealthy offshore tax evaders who are well resourced and have access to professional enablers to hide income and assets using the global financial system.

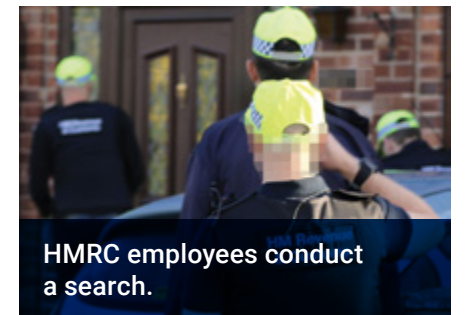
To that end, the J5 focuses its efforts on targeting facilitators and enablers, cybercrime and cryptocurrency and building capability around data platforms that helps the work of each country.

By working together, we enhance our individual capabilities to put pressure on the global criminal community in ways we could not achieve on its own.

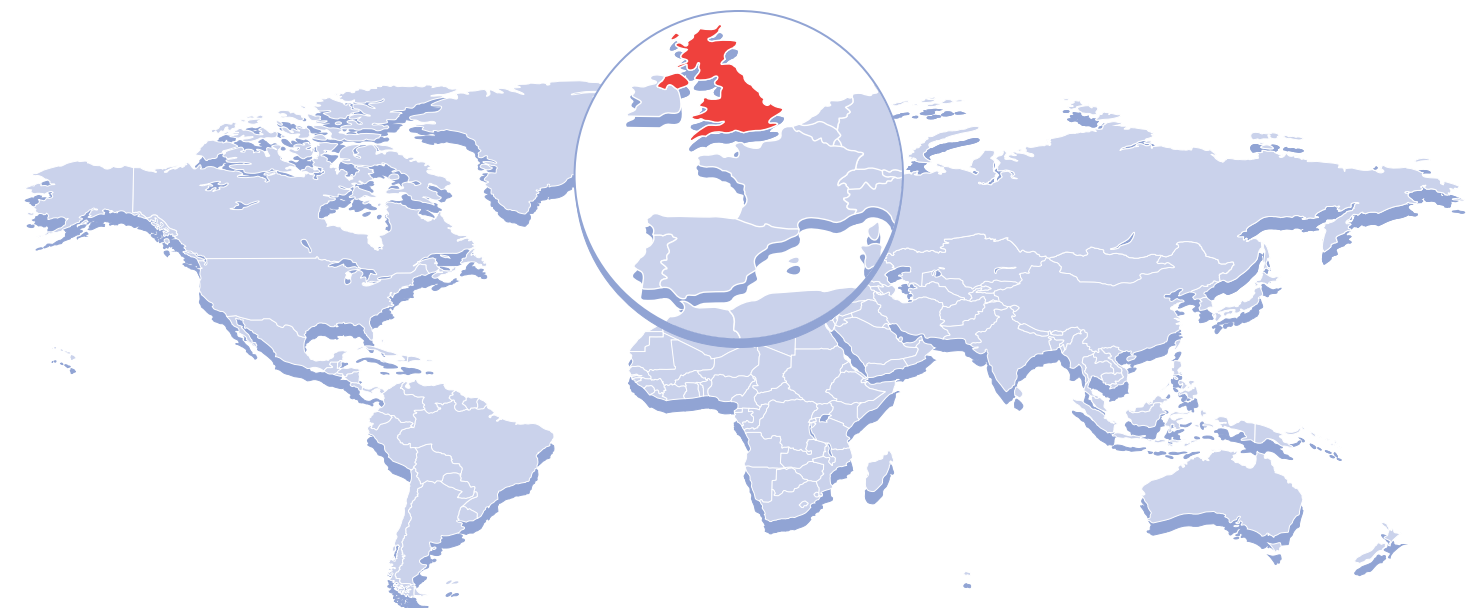
It means our agencies are better equipped than ever to conduct operations and tighten the net on those who break tax laws, ensuring criminals face the consequences of their actions.



Richard Las



HMRC employees conduct a search.



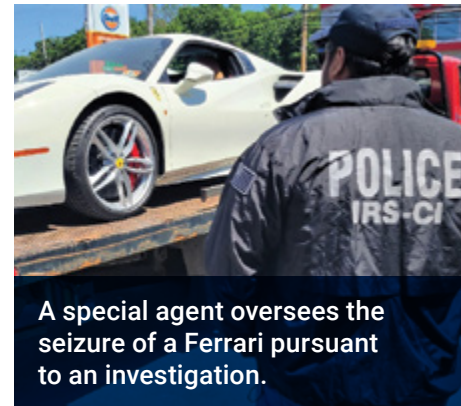
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 - **IRS Criminal Investigation**

IRS Criminal Investigation

IRS CI (CI) is the criminal investigative arm of the U.S. tax collection agency, commonly known as the IRS. CI has been in existence for more than 100 years, investigating some of the most complex financial cases which include tax fraud, narcotics trafficking, money laundering, public corruption, healthcare fraud and more. The agency ensures that the American public is protected from cyber criminals, Ponzi schemes, and bad actors posing as legitimate tax preparers.



CI is currently the sixth largest federal U.S. law enforcement agency, and the only U.S. law enforcement agency, with authority to investigate criminal violations on the U.S. tax code. CI special agents routinely obtain a conviction rate higher than 90% in prosecuted cases, which has led to CI being recognized as preeminent financial investigators both domestically and abroad.

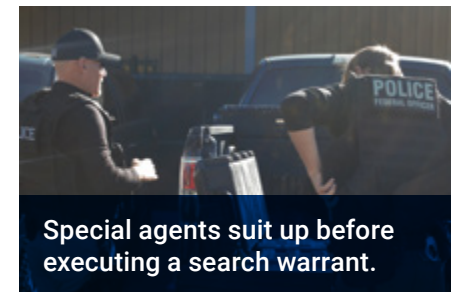
In fiscal year 2023, CI investigated some of the largest and most sophisticated tax crimes and identified \$5.4 billion in tax fraud and more than \$31.5 billion in other financial crimes. CI also specializes in cyber and cryptocurrency-related investigations and has a string of successes that have put them at the forefront of cryptocurrency investigations worldwide. In the last several years, CI led the investigation into:

- Liberty Reserve, the first digital currency exchange
- BTC-e, the first illicit crypto exchange
- Silk Road, the first dark web marketplace
- OneCoin, the largest investment fraud case
- Welcome2Video, the first dark web crypto child exploitation case
- Kunal Kalra, the first crypto kiosk/ATM operator case
- Largest ever seizure of terrorist organisations crypto accounts (Hamas, Al Qaeda, ISIS)
- Hydra – Largest darknet marketplace taken down in U.S. government history
- Bitconnect – Largest cryptocurrency fraud charged criminally in the U.S.
- Bitfinex Exchange theft – the largest financial seizure in the history of the U.S. government

CI uses this investigative expertise to help train partner agencies around the world. Last year, CI conducted in-person training in locations ranging from Germany to Palau, which covered financial investigative techniques and cyber topics like cryptocurrency. By sharing its expertise with countries across the globe and strengthening these partnerships, CI has made the world a smaller place for criminals to operate. CI continues to be a key player in international cyber investigations and sanctions-related enforcement efforts, including through the U.S. Department of Justice's Task Force KleptoCapture, which targets Russian oligarchs and other would-be sanctions evaders.

CI's global footprint is also integral to this success. In addition to working with the J5, CI also works with a multitude of law enforcement and tax agencies across the globe. CI has attaché posts strategically located in 13 countries, including: Mexico, Colombia, Panama, Germany, Canada, the UK, the Netherlands, Australia, Hong Kong, the United Arab Emirates, the Bahamas, Singapore and Barbados. Just this year, CI launched a pilot program to deploy cyber attachés – liaisons who work with foreign governments specifically on cyber training and investigations – to Singapore, Colombia, Germany and Australia. Investigations, especially in the cyber realm, often cross borders, and CI's global presence ensures that countries across the globe share information and resources to combat criminal activity.

Compliance and enforcement are key to the integrity of the tax system. CI has a long, successful history of enforcing the tax laws of the U.S. in some of the most famous cases in our nation's history – Al Capone, John Gotti, FIFA, facets of the Sinalola Cartel, the college admissions scandal (Varsity Blues), and many more – but the difference-maker between success and failure is partnerships. Partnerships are an absolutely essential part of the way we do business today. Whether they are public-public, or public-private, or agreements between international agencies like the J5, we must all understand the rules, laws, and priorities of our governments in order to produce the best results for our taxpayers. Partnerships like the J5 allow us to further tear down boundaries and build upon those partnerships.



J5



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TAX ENFORCEMENT



7-2024