



DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS

Financing for Development

**“PROMOTING INTERNATIONAL COOPERATION TO COMBAT  
ILLICIT FINANCIAL FLOWS IN ORDER TO FOSTER SUSTAINABLE  
DEVELOPMENT”**



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CRIMES**



# IRS-Criminal Investigation



- **IRS-CI is the only U.S. agency with jurisdiction over federal tax violations**
  - Investigative jurisdiction includes tax, money laundering and Bank Secrecy Act laws
  - Experts in tracing financial flows
- **International Bank Investigations**
  - 18 Financial Institution prosecuted since 2009
  - Over \$5B in Fines, Penalties, Forfeitures, Restitutions
  - Over 30 Bank Advisors Indicted
  - Over 100 Individuals Indicted
- **Al Capone, America's Most Notorious Gangster**
  - Convicted of Tax Evasion
  - Sentenced to 11 years in prison



# Illicit Financial Flows & Tax Evasion

- **Global compliance instills global public confidence/trust and the lack of transparency erodes global financial integrity.**
- **G20 Leaders have emphasized how cross-border tax evasion, money laundering, terrorism financing and corruption undermine public finance, impede economic growth and poverty reduction, threaten financial stability and undermine the rule of law.**
- **Era of Global Financial Transparency**
  - **Countries are advocating financial transparency, exchanging information with foreign counterparts, and pursuing revenue lost through tax evasion**
- **UNODC estimated proceeds from all forms of financial crime in the United States, excluding tax evasion, was \$300 billion.**

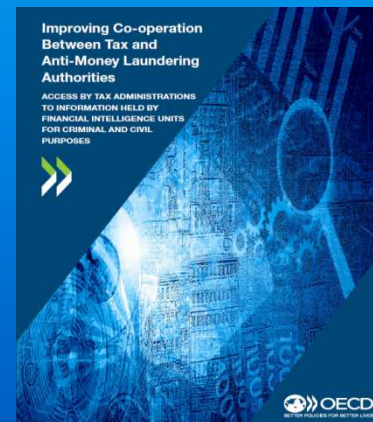
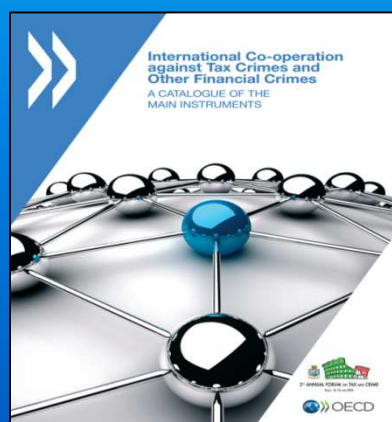
# OECD-Task Force on Tax Crimes and Other Financial Crimes (TFTC)

For many years, the OECD has developed recommendations, best practices and practical guidance for countries to:

- ❑ strengthen legal and regulatory framework, and
- ❑ enhance administrative and practical ability to prevent, detect, investigate, and prosecute tax crimes and other financial crimes.

## TFTC Highlights

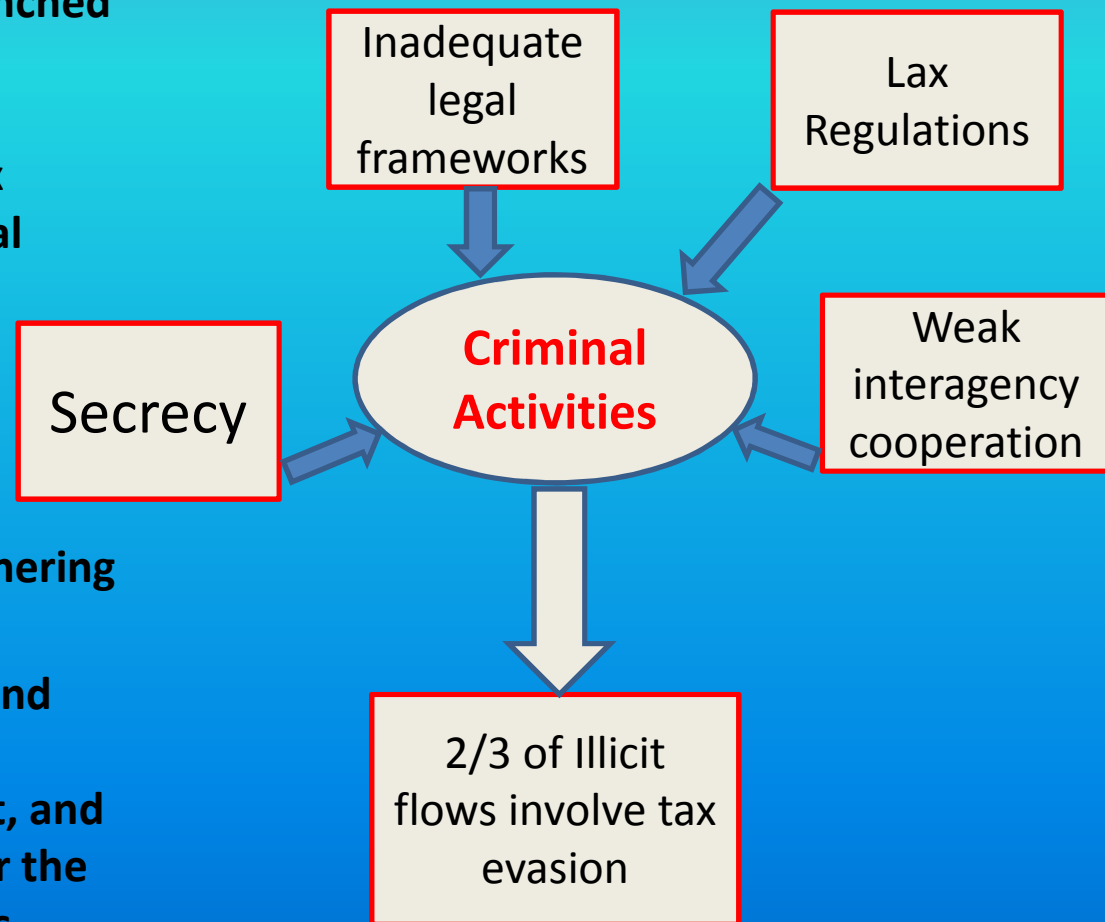
- ❑ Over 40 Countries Participate
- ❑ 5<sup>th</sup> OECD Forum on Tax and Crime-November 2017-London
- ❑ OECD International Academy for Tax Crime Investigation-Rome & New Expansion in Kenya
- ❑ Taxation and SDGs Conference-Joint IMF/OECD/UN/WBG-February 2018





# Whole of Government Approach

- OECD's Oslo Dialogue initiative, launched in 2011, fosters a collaborative and holistic approach among different government agencies to fighting tax crimes at domestic and international levels.
- Countering illicit financial flows by:
  - Greater Transparency
  - More Effective Intelligence Gathering and Analysis; and
  - Improvements in cooperation and information sharing between governments to prevent, detect, and prosecute criminals and recover the proceeds of their illicit activities.





# International Strategies

- **Leveraging the Global Law Enforcement Network**
- **Joint Investigation Team (JITs)**
  - **an international agreement between competent authorities - both judicial and law enforcement established for a limited duration and purpose -to carry out criminal investigations**
  - **JITs enable the direct gathering and exchange of information and evidence without traditional channels of mutual legal assistance (MLA)**
- **MOU-Exchange of Human Intelligence**
- **International Deconfliction System**
- **Tax Amnesty Program**