FINANCIAL CRIMES

Case Name:	Hidden Revenue and Offshore Transfers
Case Number:	Sample Use Case
Report:	Financial SITREP Use Case
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Report Span:	Sample Scenario

Hidden Revenue and Offshore Transfers Point to Possible Tax Evasion Scheme

A Financial SITREP helps investigators quickly determine whether mismatched revenue, deposits, deductions, related-party payments, and offshore transfers reflect bookkeeping errors, hidden income, false deductions, nominee entities, or a broader tax-evasion and financial-crimes scheme.

What Happened

A regional business reported unusually low taxable income despite strong sales activity, large customer deposits, increased inventory movement, and continued expansion. The first concern appeared when a bank review, customer-payment records, and tax-support schedules did not agree with the company's accounting exports. Revenue appeared to be split across operating accounts, merchant processors, related entities, and offshore transfers before some funds were later reintroduced as loans, consulting payments, or owner distributions.

The response team gathered QuickBooks and NetSuite exports, bank statements, merchant processor reports, invoices, payroll records, vendor files, owner-distribution schedules, loan records, and tax workpapers. Those records were bundled into a ZIP file and imported into REMI to generate an initial Financial SITREP showing the size and scope of the possible tax issue before the team committed days to manual reconciliation.

The early investigative question is not simply whether income was underreported. The question is what kind of matter this is: ledger error, revenue concealment, false deduction activity, offshore profit movement, nominee-entity use, related-party abuse, tax evasion, money laundering, or a broader financial-crimes pattern.

Size and Scope

REMI identified $6.4 million in gross receipts appearing across bank deposits, processor settlements, and customer-payment records that were not consistently reflected in the accounting ledger or final tax-support schedules. Of that amount, $2.8 million appeared to move through two pass-through entities, $1.9 million was transferred offshore, $740,000 was later reintroduced through related-party consulting invoices and shareholder loans, and $960,000 remained unresolved pending missing bank months, processor detail, and entity records.

The strongest relationship set involved Northpoint Advisory LLC, Harbor Ridge Imports, bank account ending 8842, offshore account ending 3371, repeated customer references tied to invoice group NP-44xx, and approval activity by m.keller@northpoint.example. The first supported suspicious event appeared on March 12 at 15:42 UTC, when a customer receipt was deposited to account ending 8842 but did not appear in the revenue ledger until a later adjusting entry reduced the reported amount.

Within the reviewed period, REMI found repeated timing gaps between customer receipts, ledger entries, processor settlements, offshore transfers, and tax-support schedules. The pattern crossed accounting systems, bank records, processor exports, invoices, related-party payments, and tax workpapers, which made the case difficult to understand from any single source.

What REMI Connected

REMI connected customer payments, deposit descriptions, invoice numbers, processor settlement IDs, ledger entries, journal adjustments, bank accounts, offshore wire references, related-party vendor records, shareholder-loan entries, owner distributions, approver accounts, IP addresses, timestamps, and tax-support schedules. The SITREP showed that several payments recorded as ordinary customer receipts later appeared as consulting expense, loan activity, or owner distribution activity after moving through related accounts.

The evidence did not support a single clean path for every dollar. Instead, REMI surfaced repeated relationship patterns: customer receipts entering accounts outside the expected revenue process, split deposits, delayed ledger recognition, expenses booked to related parties with weak support, offshore wires following high-value receipts, and partial return movement labeled as loans or consulting reimbursements.

Behaviors Identified

- Unreported or underreported revenue indicators
- Ledger-to-bank deposit mismatches
- Customer receipts routed through related or secondary accounts
- Split deposits and timing gaps between receipt, ledger entry, and tax reporting
- Offshore transfers following customer-payment activity
- Related-party consulting invoices with weak supporting documents
- Round-trip movement through shareholder loans or owner distributions
- Possible false vendor deductions or expense reclassification
- Repeated identifiers across entities, accounts, invoices, and approving users
- Possible nominee-entity use, insider approval abuse, or intentional concealment requiring follow-up

What Remains Unresolved

The SITREP does not conclude that tax evasion occurred or that a specific person acted with intent. The evidence supports that revenue, deposits, related-party payments, offshore transfers, and tax-support schedules do not reconcile cleanly. Additional records are needed to determine whether the differences were caused by bookkeeping error, incomplete exports, legitimate timing adjustments, tax-planning activity, nominee entities, false deductions, hidden income, or intentional evasion.

Investigators should determine who controlled the related entities, who approved the journal entries and reclassifications, whether customer receipts were intentionally omitted or delayed, whether offshore transfers had a legitimate business purpose, and whether shareholder loans or consulting payments were used to reintroduce previously diverted revenue.

Time Saved in the First Hours

Without a unified review, the team would likely spend days manually comparing ledgers, bank statements, merchant settlements, invoices, owner distributions, loan records, vendor files, and tax workpapers. Early delays matter because accounting entries can be amended, supporting schedules can change, entities can close accounts, and offshore movement can continue before preservation requests, subpoenas, or targeted interviews are issued.

By importing the available records into REMI, investigators receive an early Financial SITREP in minutes. The SITREP gives the team a working case map during the first hours: which receipts triggered flags, which accounts and entities are connected, how money moved, what damages or tax exposure are preliminarily supported, what evidence supports each finding, and what additional records should be preserved or requested first.

Sample Priority Next Steps

1. Preserve source financial records	Preserve the original ledgers, bank statements, processor exports, customer invoices, tax workpapers, payroll files, vendor records, loan schedules, owner-distribution records, and entity files used in the SITREP, including file hashes, timestamps, custodians, and export parameters.
2. Reconcile gross receipts	Compare customer payments, bank deposits, merchant settlements, invoices, and ledger revenue by date, payer, account, invoice number, and processor reference to identify receipts not reflected in reported revenue.
3. Trace related-party movement	Review Northpoint Advisory LLC, Harbor Ridge Imports, and related accounts for shared identifiers, common control, owner links, repeated references, linked vendors, and transactions that move funds away from normal revenue channels.
4. Trace offshore transfers	Request full records for offshore account ending 3371, including intermediary banks, destination institutions, account ownership, wire memos, return transfers, correspondent-bank detail, and onward movement.
5. Review journal entries and reclassifications	Identify who created, approved, or modified adjusting entries tied to revenue reductions, consulting expenses, shareholder loans, owner distributions, and late-period tax-support schedules.
6. Validate deductions and expenses	Compare consulting invoices, vendor payments, purchase orders, contracts, delivery records, work product, and payment history to determine whether expenses have legitimate business support.
7. Review user and insider activity	Review login history, device/IP data, MFA events, approval timestamps, accounting permissions, and normal workflow patterns for users who created or approved flagged entries and related-party payments.
8. Request missing records	Collect missing bank months, complete processor exports, tax schedules, entity formation documents, beneficial-owner records, customer-payment detail, and supporting documents for all unresolved transaction groups.
9. Estimate tax and damages exposure	Calculate preliminary unreported receipts, unsupported deductions, offshore transfers, reintroduced funds, penalty exposure, and unresolved amounts that require additional records or expert review.
10. Prepare targeted interviews	Prepare questions for accounting staff, owners, tax preparers, approvers, bank personnel, related-party vendors, and entity representatives based on the unresolved SITREP findings.

See the REMI workbook for supporting detail, including account numbers, transaction IDs, customer names, entity names, tax-support schedules, ledger entries, journal adjustments, invoice references, deposit mismatches, processor settlement IDs, offshore transfer paths, related-party relationships, preliminary tax and damages calculations, and the evidence links used to support each finding.