

FINAL SCENARIO

The Mysterious Art Gallery

You are a fraud examiner reviewing financial records for an ongoing criminal fraud investigation involving the “Golden Canvas” art gallery, located in a quiet suburban neighborhood, has recently caught the attention of law enforcement due to suspicious financial activities. The gallery owner, Mr. Victor Noir, claims to deal exclusively in high-end art pieces. However, investigators suspect that the gallery is a front for money laundering.

Mr. Noir frequently makes large cash deposits into the gallery’s business account. These deposits are inconsistent with the art market, where electronic payments are more common. The gallery reports substantial sales of expensive artworks, but investigators notice that the buyer details are often incomplete or vague. Some transactions involve offshore accounts.

Mr. Noir transfers funds between multiple accounts, both personal and business-related. These transactions are designed to obscure the origin of the money. The gallery is associated with several shell companies registered in tax havens. These companies receive payments from the gallery, creating a complex web of financial connections.

1. What red flags are present in this situation?

2. What recommended investigative steps would you employ?

3. What is the most likely specified unlawful activity at issue here?