



Unit 8

# Shadow Economy, Compliance and Criminal Assets Bureau (CAB)

## Lesson Plan





## 1.0 Learning Outcome

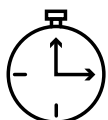
To understand the concept of the shadow economy, the compliance interventions that can be used by the Revenue Commissioners and the role of the Criminal Assets Bureau (CAB).



## 2.0 Learning Intentions

At the end of this lesson, I will be able to:

1. Explain the shadow economy and provide examples of shadow economy activities
2. Outline the negative impact of shadow economy activities on individuals, businesses and the Irish economy
3. Explain the concept of tax compliance and the consequences of non-compliance
4. Describe the role of the Criminal Assets Bureau (CAB)



## 3.0 Duration

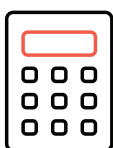
2 x 1hr classes



## 4.0 Links

### Literacy Links

Shadow economy, Nixers, Tax evasion, Tax Evasion Report, Compliance, Criminal Assets Bureau (CAB)



### Numeracy Links

Percentages, Multiplication, Division



### Cross-Curricular Links

Accounting, Business, Computer Science, Economics, Geography, Maths



### TY Skills

Being personally effective, Communicating, Critical and creative thinking, Information processing, Working with others



## 5.0 Resources

The resources required for this lesson are:

|    |  |
|----|--|
| 1. | Whiteboard, projector, PC / laptop with an internet connection |
| 2. | Lesson Plan  |
| 3. | PowerPoint presentation  |
| 4. | Student Activity Worksheets 1 and 2                            |
| 5. | Student Activity Worksheet 2 Solutions                         |
| 6. | Student Learning Journal                                       |

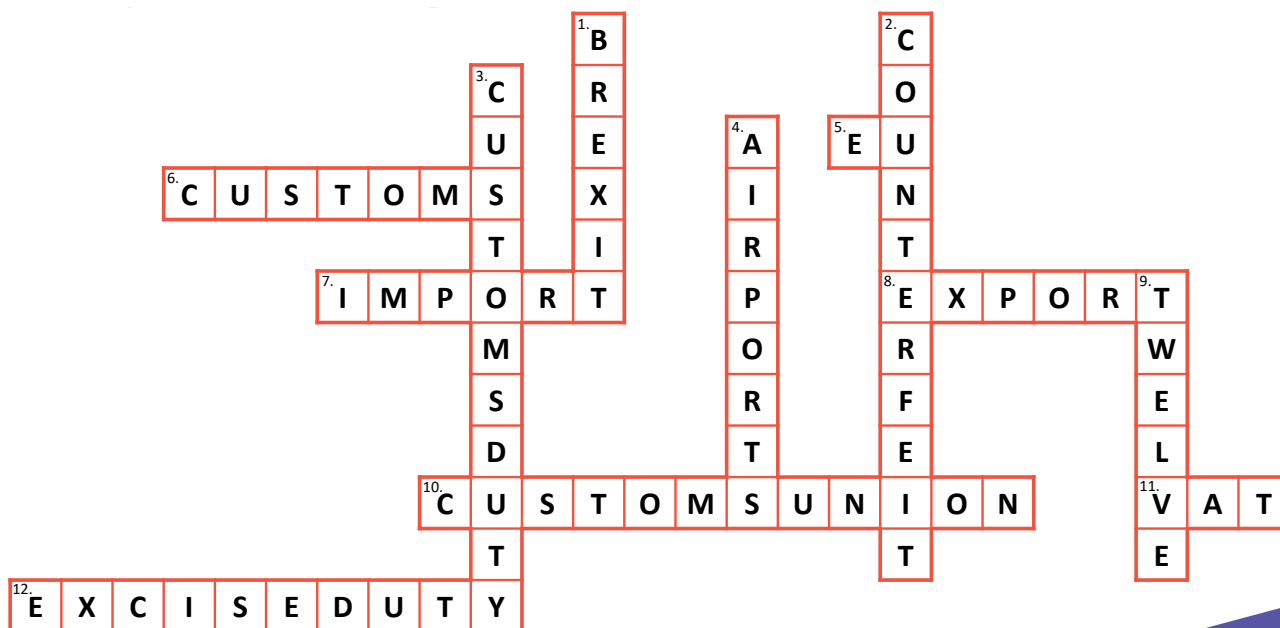
## 6.0 Lesson Introduction

The **teacher** briefly **outlines the learning intentions** on **PowerPoint Slide 2** to highlight the topics to be covered during the lesson. A copy of **Unit 8: Student Activity Worksheets 1 and 2** are **distributed** to all students.

### 6.1 Retrieval Practice

#### Activity 1

**Students** work individually / in pairs to **complete** the crossword based on clues from **Unit 7: Customs**. **Student answers** can be recorded on **Unit 8: Student Activity Worksheet 1, Activity 1**. This exercise can be **corrected** as a **whole-class** activity on **PowerPoint slide 3**.



## 7.0 Shadow Economy Introduction

Students use **Think-Pair-Share** to come up with an **explanation** for the **shadow economy** and **record** their answers on **Unit 8: Student Activity Worksheet 1, Activity 2**. These suggested definitions are **shared with the class** and can be **recorded** by the teacher on **PowerPoint slide 4**.

The **teacher** provides an **explanation** of the **shadow economy** on **PowerPoint slide 5**, which includes an **example** of a **shadow economy activity**.

### Activity 3

If **internet access** and/or **devices** are available, students could suggest **shadow economy activities** on **online polling websites**, e.g. [www.menti.com](https://www.menti.com). Alternatively, **students** can work in **pairs / groups** to think of **shadow economy activities** and these suggestions can be **recorded** on **Unit 8: Student Activity Worksheet 1, Activity 3**. Students can **share** and **discuss** their suggestions **with their classmates**. The **teacher** shows examples of **shadow economy activities** on **PowerPoint slides 7-9**.

### Activity 4

**Individually** students complete **Unit 8: Student Activity Worksheet 1, Activity 4** to **identify** whether the listed **activities** are **part / not part of the shadow economy**. These can be **corrected** by the teacher on **PowerPoint slide 10**.

| Statement   | Part of the shadow economy | Not part of the shadow economy |
|---|----------------------------|--------------------------------|
| 1. Purchasing counterfeit goods from a market stall   | ✓                          |                                |
| 2. Declaring all of your income, including cash in hand, on your annual tax return                                    |                            | ✓                              |
| 3. Purchasing event tickets from official sources   |                            | ✓                              |
| 4. Paying for a hair cut in your own property in cash and not receiving a receipt                                     | ✓                          |                                |
| 5. Smuggling products into Ireland without paying the appropriate taxes   | ✓                          |                                |
| 6. Carrying out 'nixers'  | ✓                          |                                |
| 7. Paying a mechanic to fix your vehicle at an authorised premises and receive a business receipt for work undertaken |                            | ✓                              |
| 8. Working or running a business while claiming Job Seeker's Benefit  | ✓                          |                                |
| 9. Non-operation of the Value Added Tax system  | ✓                          |                                |
| 10. Ensuring you receive an invoice for all works completed by a carpenter on your property                           |                            | ✓                              |

## Activity 5

The **teacher** shows the **scenario** about you recently starting **your first job** on **PowerPoint slide 11**. Students are given time to re-read and reflect on the scenario on **Unit 8: Student Activity Worksheet 1, Activity 5** and consider **why Patrick has more disposable income and any potential implications if the arrangement continues**. Teacher facilitates a **whole-class discussion** on the topic to **hear student views** on the scenario.

A whole class discussion could take place on topics such as:

- Patrick is carrying out a shadow economy activity e.g. **not reporting a taxable source of income**.
- Patrick's employer is carrying out a shadow economy activity e.g. **paying employees 'off-the-books' to avoid paying PRSI**.
- Patrick and his employer could face **further consequences** for operating in the shadow economy e.g. the **tax evasion** could be **reported to or identified by Revenue** who could **open an intervention**.
- Patrick's employer might not obey other **employment laws** so Patrick might not have the **protection of being an employee** e.g. be fired without warning, no maximum hours, not comply with safety regulations.

## 7.1 Impact of the Shadow Economy Activities

### Activity 6

Teacher asks **students** to **think of the impact of the shadow economy activities on the Irish economy**. **Prompts** could be given including, **government expenditure, provision of public services and job losses**. **Students** could work in **pairs / groups** to **record** their **suggestions** on **Unit 8: Student Activity Worksheet 1, Activity 6** and these could be **noted** by the **teacher** on **PowerPoint slide 12**.

The **teacher** goes through some **common examples** of the **negative impact** of the shadow economy on **PowerPoint slides 13-14**.

## 7.2 Reporting Shadow Economy Activities

The **teacher** goes through the **methods** that the **public can use to report shadow economy activities** and the details sought by the Revenue Commissioners when making a **Tax Evasion Report**. This information is shown on **PowerPoint slides 15-16**.

## 7.3 Consequence for Individuals Operating in the Shadow Economy

Students work in pairs / groups to identify potential consequences for individuals who are found to be operating in the shadow economy. These can be recorded by the students on **Unit 8: Student Activity Worksheet 1, Activity 7** and noted by the teacher on **PowerPoint slide 17**. The teacher goes through consequences on **PowerPoint slide 18**.



### Extension Task

### 7.4 Video Clip

If students want to examine **counterfeit merchandise, shadow economy and tax evasion** they could watch the **clip on PowerPoint slide 19**:

[What happens if you don't pay your taxes](#) [6m 48]

## 8.0 Compliance

Students engage in a **whole class discussion** on the **questions** shown on **PowerPoint slide 20** regarding compliance. The **teacher** could **prompt** the discussion by referencing the **voluntary compliance** needed for the **self-assessment system**. The **teacher** provides **details** on **compliance** and **compliance interventions** used by the Revenue Commissioners on **PowerPoint slides 21-22**.

### Unprompted qualifying disclosure

This is a disclosure made at any time before a Revenue audit notification letter issues, or an investigation starts.

### Prompted qualifying disclosure

This is a disclosure made after you have received notice of a Revenue audit. The disclosure must be made between:

- the date Revenue informs you of the audit start date
- the date the audit starts.

Teacher could ask **students** if they could **suggest possible consequences** for individuals and businesses that are **not compliant**. These can be seen on **PowerPoint slide 23**.



### Extension Task

## 8.1 Tax Defaulters List

If students want to **examine the tax defaulters** list in more detail, they could conduct a general **online search** using the key terms, e.g. 'Tax defaulters list 2024'. This will **highlight the tax defaulters list** on the **Revenue Commissioners website** as well as **news articles** summarising the key points of the list.

Students could **examine** the list from an **occupation/amount owed/geographic perspective** and discuss their findings.



### Extension Task

## 8.2 Tax Evasion Video Clip

Students can watch the **clip** from the European Union Commission related to **tax evasion** titled: [The Missing Part](#) [1m 39] on **PowerPoint slide 24**.

## 9.0 Criminal Assets Bureau (CAB)

Students are shown the **images on PowerPoint slide 25** related to the **Criminal Assets Bureau (CAB)** to initiate a **brief discussion** on the **purpose** and **role** of the agency.

The **teacher** goes through the **establishment of CAB** and its **objectives on PowerPoint slides 26-28**. The teacher also explains the **agencies that are involved in the operation of CAB** on **PowerPoint slide 29**. Students can watch the clip [Criminal Assets Bureau](#) [6m 13] on **PowerPoint slide 30** to find out more **information** about the **operation of the agency**.

Similar to the **Tax Evasion Report** made to the Revenue Commissioners, a similar confidential report can be made to the CAB, which is outlined on **PowerPoint slide 31**.

## Activity 7

Students can examine the geographic distribution of targets under investigation by CAB on PowerPoint slide 32. Students can complete the calculations on Unit 8: Student Activity Worksheet 1, Activity 8.

### Solutions

| County    | Percentage                           |
|-----------|--------------------------------------|
| Limerick  | $(119 / 1,638) \times 100 = 7.26\%$  |
| Mayo      | $(3 / 1,638) \times 100 = 0.18\%$    |
| Wexford   | $(46 / 1,638) \times 100 = 2.81\%$   |
| DMR South | $(188 / 1,638) \times 100 = 11.48\%$ |
| DMR West  | $(300 / 1,638) \times 100 = 18.32\%$ |

## 9.1 CAB Seizures

Students examine the **total amount** collected through **CAB seizures** from **1996-2022** on PowerPoint slide 33. Students can also examine the **images** showing recent **CAB seizures** on PowerPoint slides 34-35.



### Extension Task

## 9.2 CAB Seizures

Students conduct some **online research** to find information on **recent CAB seizures**. This information may be found on the latest **news section** of [www.cab.ie](http://www.cab.ie) or in **news articles**, e.g. [www.independent.ie](http://www.independent.ie), [www.thejournal.ie](http://www.thejournal.ie), [www.irishtimes.com](http://www.irishtimes.com) and [www.rte.ie](http://www.rte.ie).

## 10.0 Revision

Students complete **Unit 8: Student Activity Worksheet 2** to **revise** the content covered in **Unit 8**.

## 11.0 Learners' Journal

Teacher distributes **learning journal template** and **students complete** the learning journal associated with this lesson.