Detecting and responding to fraud: making the intelligent connection

Fraud Investigation & Dispute Services
We make the connection between knowledge and insight

Our dedicated global team of investigators, forensic accountants and technology professionals will help you respond rapidly and effectively to alleged fraud or corrupt practices affecting your business. Our vigilance, knowledge and insight will also help you safeguard the financial and reputational value of your organization in times of crisis.

A robust and rapid response

Geopolitical turbulence and stubbornly low global growth combine to create an environment which encourages impropriety. At the same time, ever increasing industry and government regulation around the world and growing public intolerance of inappropriate corporate conduct means that staying on the right side of the law is harder than ever. This rapidly evolving landscape and culture of increasing enforcement means that fraud and corruption can quickly destroy your organization’s finances and reputation.

Robust risk management and good governance are critical to withstand the threat and satisfy increased regulatory and public scrutiny.

We will work with your executive team to help you safeguard the value and integrity of your enterprise and to help you satisfy stakeholders who will not tolerate impropriety. If the worst does happen, your first priority is to stop any further loss or reputational damage.

You need to respond rapidly to secure the evidence and get to the root cause of what has gone wrong.

Intelligent connections to tackle global fraud and corruption risks

Our team brings extensive investigations experience, leveraging our sector knowledge, to establish the facts. We work closely with legal, compliance, finance and internal audit functions to protect stakeholders’ interests and to reduce wider, and often costly, business disruption.

We can draw on our Forensic Technology and Discovery Services professionals to gather and analyze electronic evidence using methodologies that can withstand regulatory scrutiny.

Leading insight: fraud and corruption risk

More than 1 in 10 executives experienced significant fraud in the past two years*

61% of respondents in rapid-growth markets believe that corruption is widespread in their country**

37% of respondents agree that companies often overstate their financial performance**

* EY’s Global Fraud Survey 2014
** EY’s EMEIA Fraud Survey 2015

Overcoming compliance fatigue

Fraud and corruption – the easy option for growth?
We can also apply advanced forensic data analytics and data visualization tools to help identify relevant information quickly.

And when you discover wrongdoing has occurred, we will help you stem the losses and seek redress, supporting you throughout regulatory, civil or criminal proceedings.

We can also help you to mitigate the potential damage that can be caused by impropriety, including potentially corrupt payments, by newly acquired businesses or joint venture partners.

We connect information and insights to better protect your business

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<th>You need to...</th>
<th>We will help you by...</th>
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<tr>
<td>Investigate allegations of wrongdoing rapidly and</td>
<td>• Deploying our team seamlessly to wherever you need assistance. Our global operating model delivers a proven and rigorous investigations methodology. Working across multiple jurisdictions, our consistent approach to uncovering the facts is designed to withstand legal scrutiny</td>
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<td>consistently across your business</td>
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<td>Satisfy regulators' demands for facts and information efficiently</td>
<td>• Harnessing the skills of our forensic technology professionals and our extensive experience of handling regulatory investigations. We work closely with you and your external legal counsel to capture, process and analyze electronically stored information to meet the challenging requests of regulators</td>
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<td>Prepare to litigate in response to issues identified</td>
<td>• Developing our investigative findings and determining the extent of losses, working closely with your external legal counsel. As your case strategy evolves, we can provide expert witness support in subsequent litigation to give a robust independent view of the damages</td>
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<td>Demonstrate to stakeholders that appropriate actions have been taken to mitigate the risk of improper conduct in the future</td>
<td>• Identifying the causes of impropriety, and advising on pragmatic ways to strengthen your anti-fraud and/or anti-bribery controls. We have advised many of the world's leading companies on the development of their internal investigation capabilities, so they are better able to respond to future incidents of improper conduct with consistency and transparency</td>
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<td>Understand and manage the extent to which acquisition targets might expose your business to bribery and corruption risks</td>
<td>• Using our experience of investigating bribery and corruption to focus forensic due diligence on areas of significant risk, either pre- or post-close. Whether there are concerns regarding a target's business partners or with specific transactions in an entity's books and records, we can help you establish the extent of the issue and its potential impact</td>
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Intelligent thinking applied

Bribery investigation
Retained by US and German legal counsel to the board of a major industrial company, we investigated allegations of corruption in over 40 countries across Europe, Asia, the Middle East, South America and Africa.

We reviewed in excess of 45 terabytes of unstructured data from dozens of custodians, enabling the client to identify and quantify its risk exposure and negotiate effectively with the regulators. We subsequently provided recommendations on improvements to accounting controls.

Financial services
Teaming up with external legal counsel and professionals from EY’s Corporate Recovery practice, we investigated the collapse of a multi-billion dollar investment fund. We conducted interviews with a number of fund executives and non-executive directors, and reviewed significant volumes of historical trading data and financial records. Our findings helped the administrative receivers and creditors committee to determine whether legal claims could be brought against the former directors, the fund’s management company or any other third parties.

Financial statement fraud
We were engaged by in-house legal counsel of a global life sciences company to investigate whistle-blower allegations related to the mis-conduct of the CEO of an overseas subsidiary. Allegations concerned improper revenue recognition practices and that the CEO was defrauding the company through contracts with related parties.

Through the review of substantial electronic evidence, including email and other files on the subject’s computer, and interviews with the whistle-blower, the CEO and others, we were able to identify evidence that substantiated the whistle-blower’s claims. The subsidiary’s CEO was subsequently dismissed.

Foreign exchange trading investigation and remediation
A multinational bank requested support in developing a comprehensive suite of indicators against key forex trading conduct risks, including: benchmark manipulation; stop-loss attaching; front-running; and sales mark-ups.

We established a detailed statistical framework to develop and backtest these indicators against their historical trading data to evidence their effectiveness.

We supported the client’s legal and compliance teams in responding to the regulators to demonstrate the effectiveness of these indicators in stemming future abuse.

Post-acquisition investigation in the mining sector
We assisted our client in estimating and demonstrating the loss they had suffered following their investment in a mining company, as a result of impropriety by former management. We identified areas where value had been stripped from the company as a result of the actions of the previous owner in the period between acquisition and management handover of the asset. This involved capturing and analyzing electronic data, forensic financial analysis and asset tracing across multiple jurisdictions. As a result of our work, we were able to calculate an estimate of the loss suffered by the client and support the client’s external legal counsel in its recovery.

Corruption investigation
Retained by external legal counsel, we investigated allegations of corrupt payments made by a large multinational logistics company. Working in six countries across Europe, Africa and Central Asia, we secured and analyzed electronic evidence from dozens of custodians and conducted forensic data analytics on millions of transactions. Interviews of executives were conducted, and accounting transactions were reviewed. The findings from our multiyear investigation were shared with the US Department of Justice and Securities and Exchange Commission as part of settlement discussions.
Global expertise, local knowledge, relevant skills

The EY Fraud Investigation & Dispute Services practice brings you the people, tools and insights you need to protect your business from financial and reputational risks.

Multidisciplinary professionals
- Over 4,500 professionals in member firms worldwide
- Forensic accountants, technologists, former law enforcement and intelligence agency professionals
- Working in 73 countries
- Across 27 industries

Understanding how regulations, laws and compliance issues vary by country and region

Cross-sector professionals including:
- Financial services
- Life sciences
- Extractive industries
- Government & public sector
- Construction & infrastructure

Market-leading breadth and depth of insight into complex, international business processes

Talk to us
Find out how we can help you protect the financial and reputational value of your business. We will react quickly and efficiently to prevent, detect and resolve any threats you face, however complex.

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Thought leadership

Europe Middle East, India and Africa Fraud Survey
Offering powerful insights into perceived levels of fraud, bribery and corruption risks across 38 countries

Corporate Fraud – The Human Factor
Providing new perspectives on the many different types of "fraud trail" and where “following the money” might lead in future

Managing Bribery and Corruption Risk – Sector Analysis
Managing bribery and corruption risk across life sciences, oil and gas, extractive industries, and construction and infrastructure sectors
About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality of services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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About EY Fraud Investigation & Dispute Services
Dealing with complex issues of fraud, regulatory compliance and business disputes can detract from efforts to succeed. Better management of fraud risk and compliance exposure is a critical business priority – no matter the size or industry sector. With over 4,500 fraud investigation and dispute professionals around the world, we will assemble the right multidisciplinary and culturally aligned team to work with you and your legal advisors. We work to give you the benefit of our broad sector experience, our deep subject matter knowledge and the latest insights from our work worldwide.

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ED None.

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