

## **Understanding Precursors to Fraud & Malfeasance**

### **AGENDA**

#### *Block I*

Introduction / background

Learning objectives for the session

Overview of the case

Private equity investment and due diligence process

Corporate governance / the role of the board of directors

Red flags – preliminary concerns re: financial reporting & senior management behavior

#### *Block II*

Learning objectives for the session

The forensic investigation (accounting fraud, embezzlement, undisclosed related party transactions)

Evaluation of the internal control environment

Management roadblocks

Remaining objective and limiting biases

A detailed walk-through of the forensic procedures utilized (traditional methods + third-party data sources, data storage, mapping evidence & perpetrators, etc.)

Documenting the findings & board of directors' obligations

#### *Block III*

Learning objectives for the session

Fraudsters don't just roll over – tactics to limit the forensic investigation, threats, etc.

Expansion of the investigation

Systemic issues / a culture of fraud

Uncovering criminal activity

Forensic procedures utilized

Supporting the Departments of Justice and Homeland Security

#### *Block IV*

Learning objectives for the session

Widespread visa (immigration) fraud

Not isolated to the company – conspiracy to commit visa fraud, identity theft, obstruction of justice, tax fraud, etc.

Forensic procedures utilized (including international activities)

Aligning constituent interests (shareholders, board of directors, lenders, employees, customers, law enforcement...) during a fraud investigation

Revisiting best practices in data storage, mapping evidence & perpetrators result in solving the fraud/crimes

Worst fears realized