



Fraud investigation
Practical examples

03 MARCH 2022

Agenda

- 01 About me 3
- 02 Case Introduction 4
- 03 Investigation strategy 5
- 04 Main challenges 6
- 05 Investigation skills and IT enablers 7
- 06 Outcome of the investigation 10
- 07 Key takeaways 11



About me



Academic Background

- Bachelor Degree from the Polytechnics University of Bucharest, the Faculty of Electrical Engineering;
- Executive MBA with Maastricht School of Management – in progress;
- “Trust me, I’m an engineer” 😊



Professional Experience

- 9 years experience in Forensic with focus on:
 - Investigations
 - IT Forensics / e-Discovery;
 - Fraud risk assessment;
 - Compliance;
 - Grid losses;
- Certified Fraud Examiner with the Association of Certified Fraud Examiners;
- President of ACFE Romania Chapter Association, affiliated to ACFE US



Soft skills and hobbies 😊

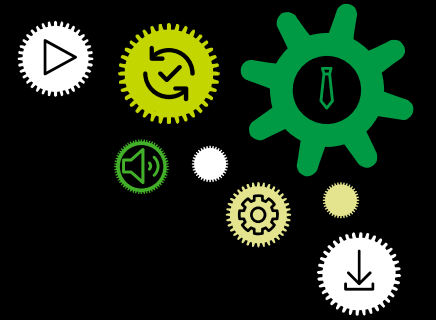
- Innovative, client oriented, technology oriented, open to new ideas, proactive, flexible, adaptable;
- I like music, motorcycles and racing;

Case introduction

Case study

Background of the Case – what we knew

- A Romanian company, named ABC, subsidiary of a multinational with operations in Europe and Asia.
- ABC SRL being an important business in its area, with hundreds of families depending on the income sourced from the company
- Therefore, we were obliged to proceed with great care on the case.

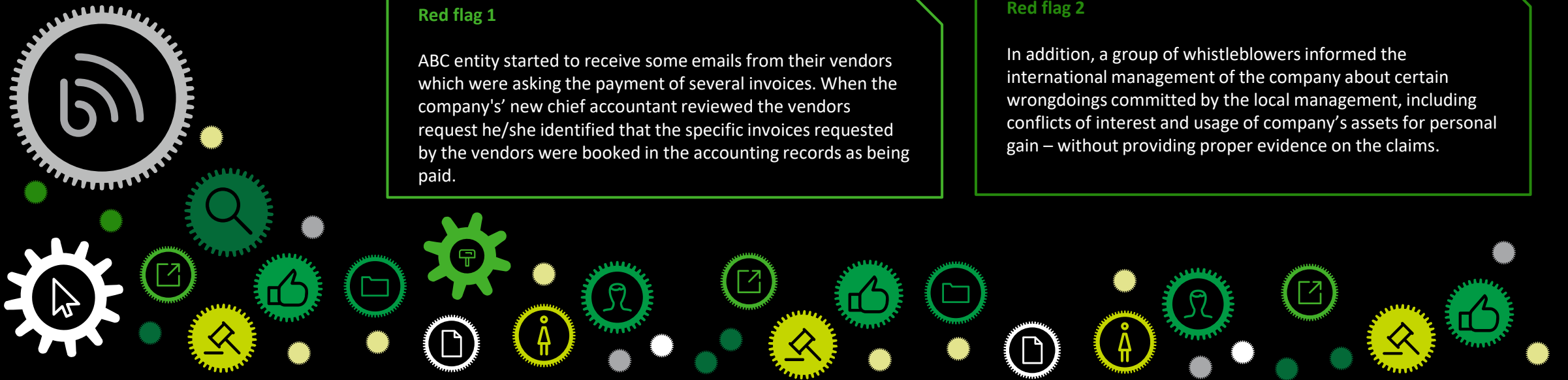


Red flag 1

ABC entity started to receive some emails from their vendors which were asking the payment of several invoices. When the company's new chief accountant reviewed the vendors request he/she identified that the specific invoices requested by the vendors were booked in the accounting records as being paid.

Red flag 2

In addition, a group of whistleblowers informed the international management of the company about certain wrongdoings committed by the local management, including conflicts of interest and usage of company's assets for personal gain – without providing proper evidence on the claims.



Investigation strategy

1. Early case assessment

2. Defining investigation questions

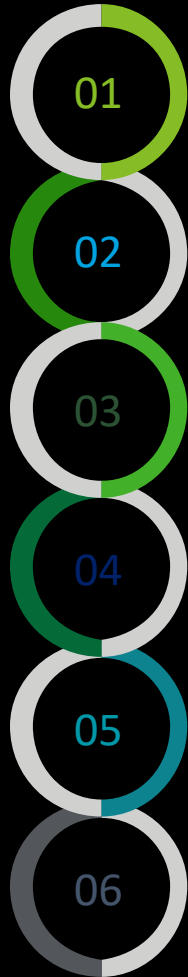
3. Assembling the team

4. Preliminary Interviews

5. Fieldwork

6. Identify the irregularities and the responsibilities

Main challenges



01 Obtaining trustworthy documentation and databases that allows data analytics techniques;

02 Differentiating falsified documentation/information provided from real ones;

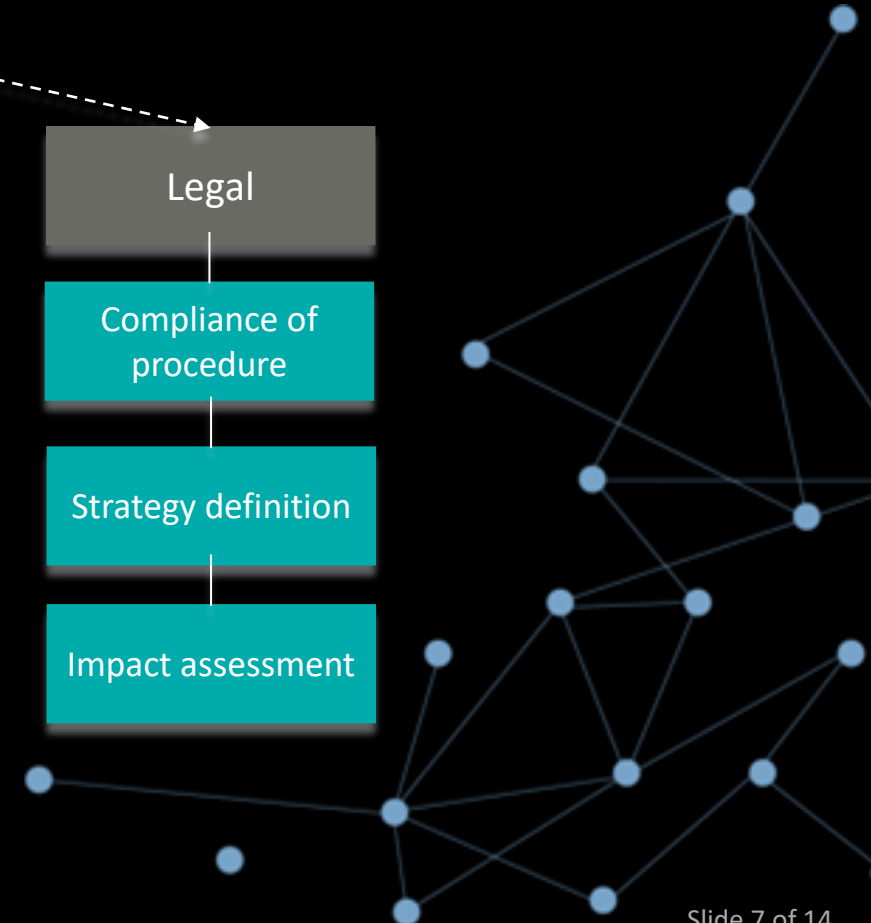
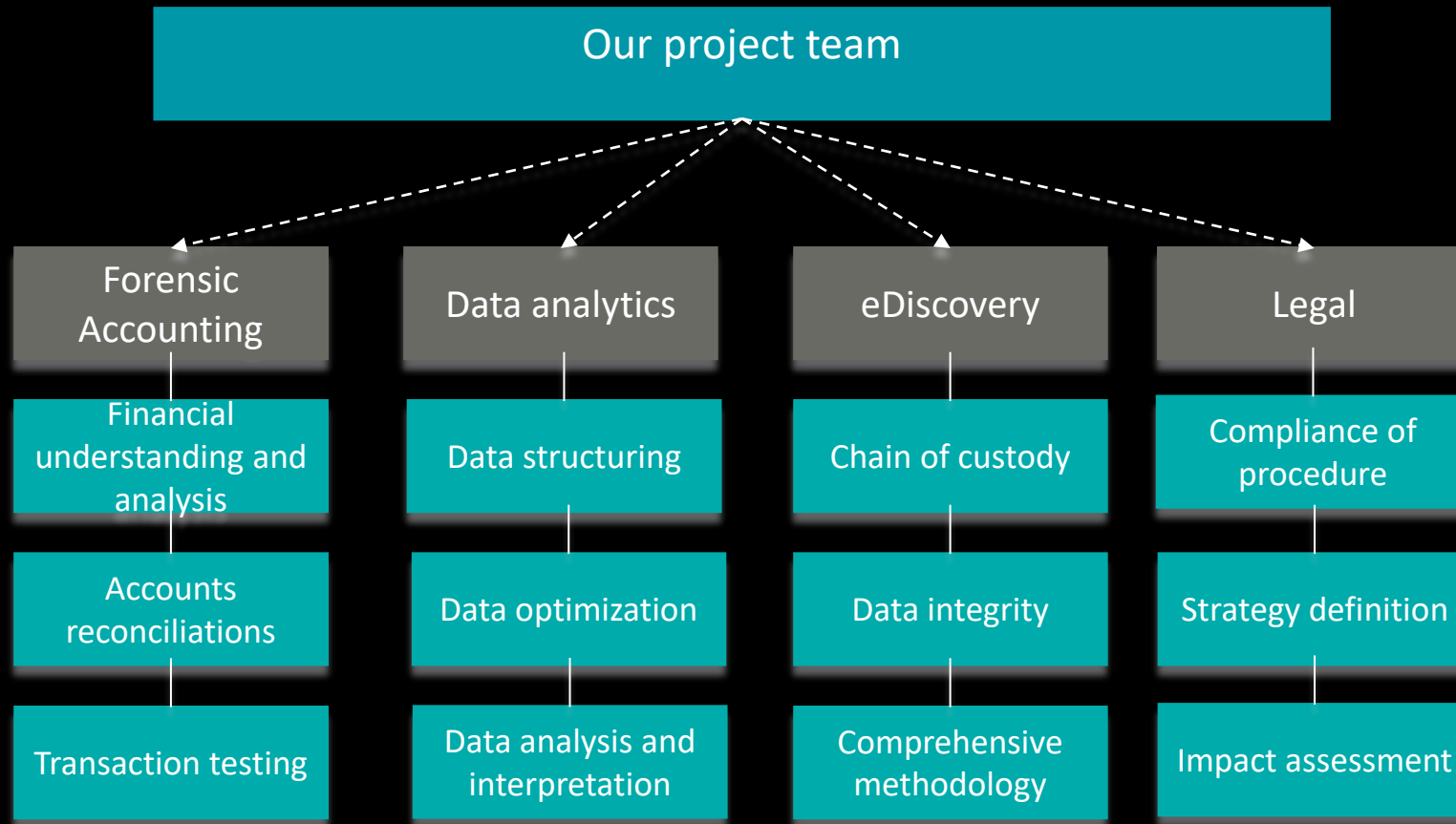
03 Local management unwillingness to help, push-backs and deceptive tactics;

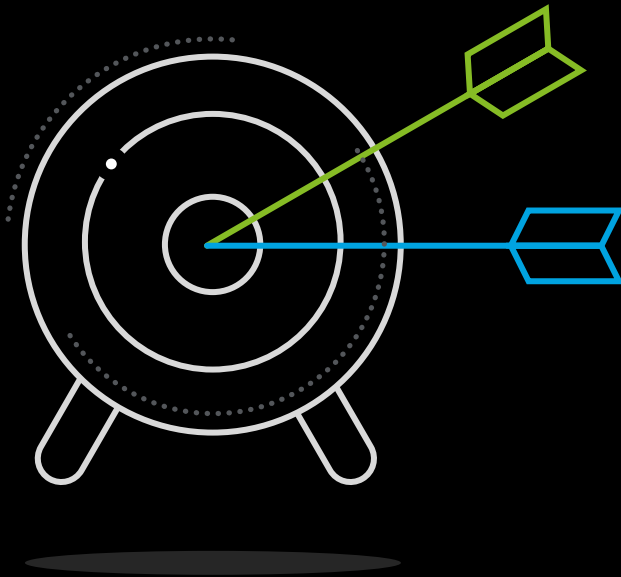
04 Establishing channels of communication with key persons within the organization – human intelligence;

05 Establishing the team's working environment and safeguarding the resources employed;

06 Collect relevant electronic devices and differentiate the corporate versus the personal ones in compliance with GDPR and National Legislation.

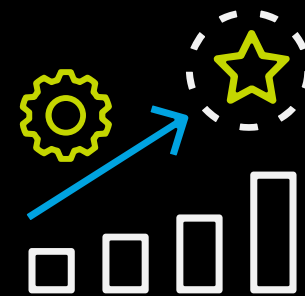
Necessary technical skills



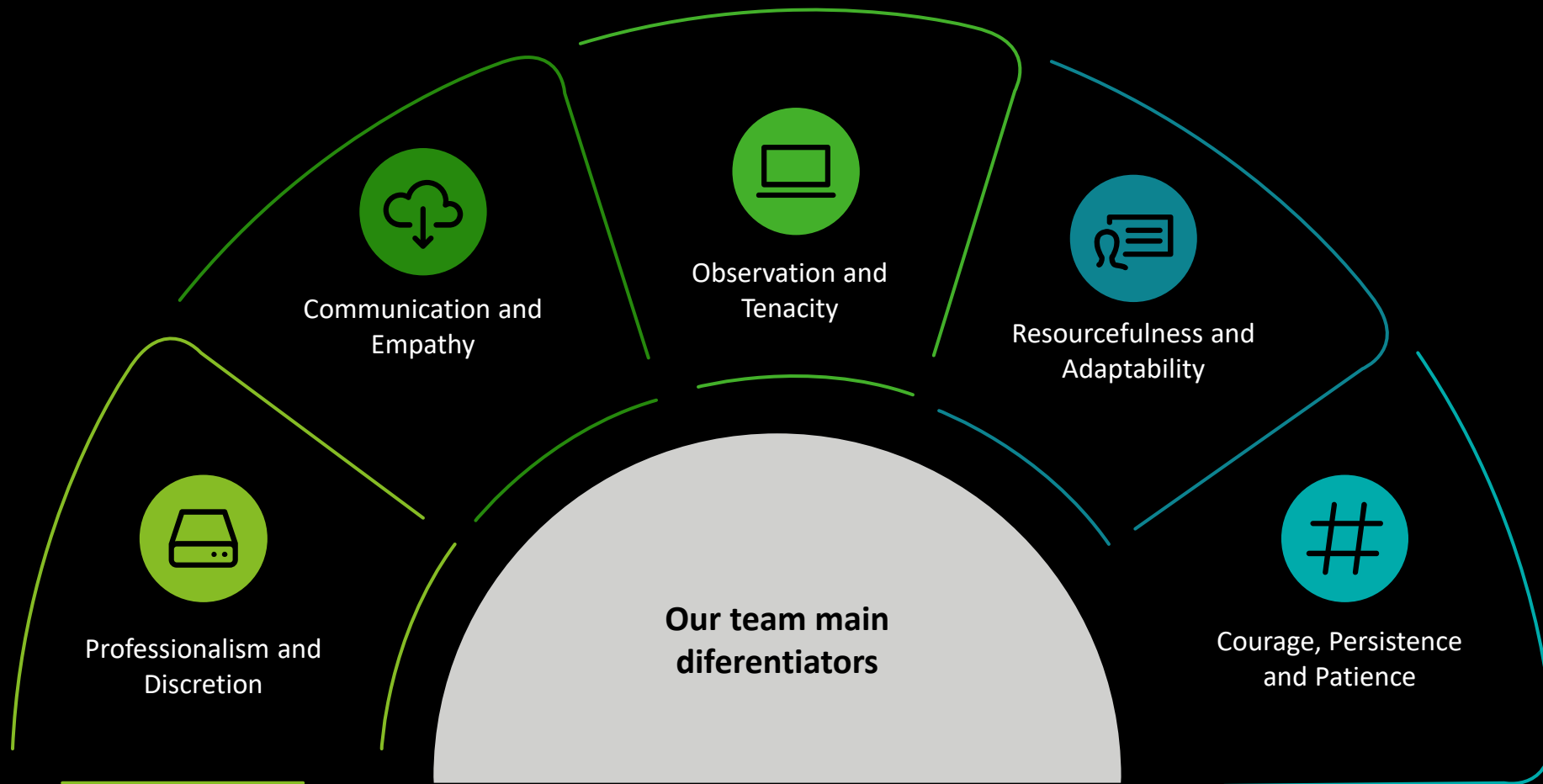


Cutting edge technology and ongoing research on new forensic solutions

- eDiscovery – Forensic Data Collection, Data Processing and Data Review
 - Data analytics
-



Necessary interpersonal skills



Outcome of the investigation



Damages: EUR
XXXm;



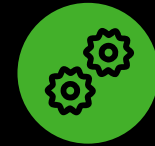
Organized fraudulent
group within the company
with potential
involvement of the key
management;



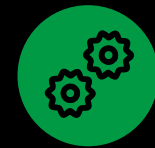
Identification of the external
pressure sources (i.e., media,
news papers etc.);



Ongoing fraudulent
transactions performed
during the investigative
phase;



Collusion with 3rd
party service
providers;



Several fraud schemes
identified: vendor
fraud, payroll fraud,
ghost employee,
inflated and/or
fictitious services
(construction, goods,
scrap).



Key takeaways



Contact me



Mihail Bucheru

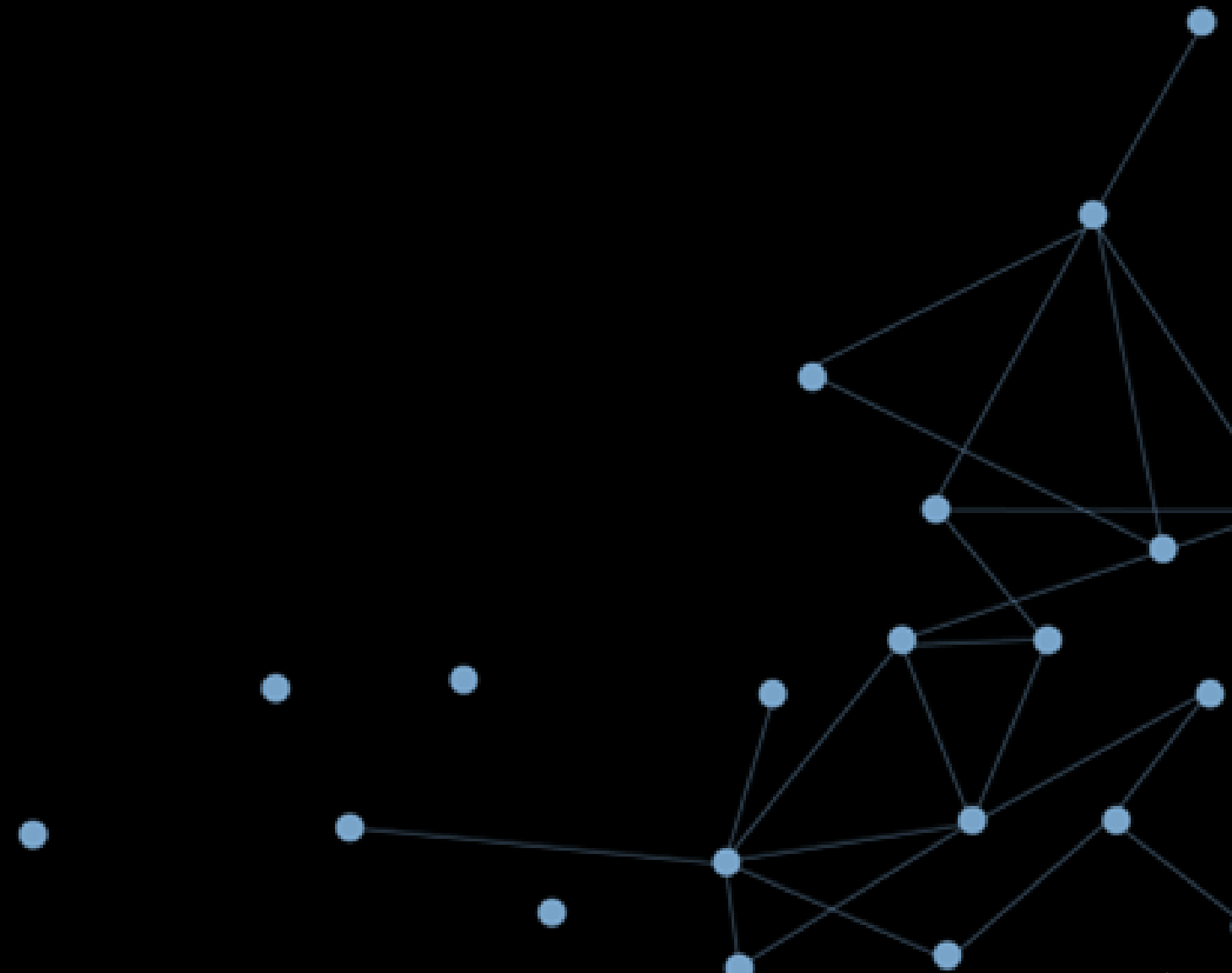
Deputy Director | Forensic

Deloitte Financial Advisory
The Mark Tower
82-98 Griviței Road, 10th fl.
1st District, 010735
Bucharest, Romania

T: +40 21 222 16 61

M: + 40 740 396 504

mbucheru@deloittece.com





Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/ro/about to learn more about our global network of member firms.

© 2022. For information, contact Deloitte Romania