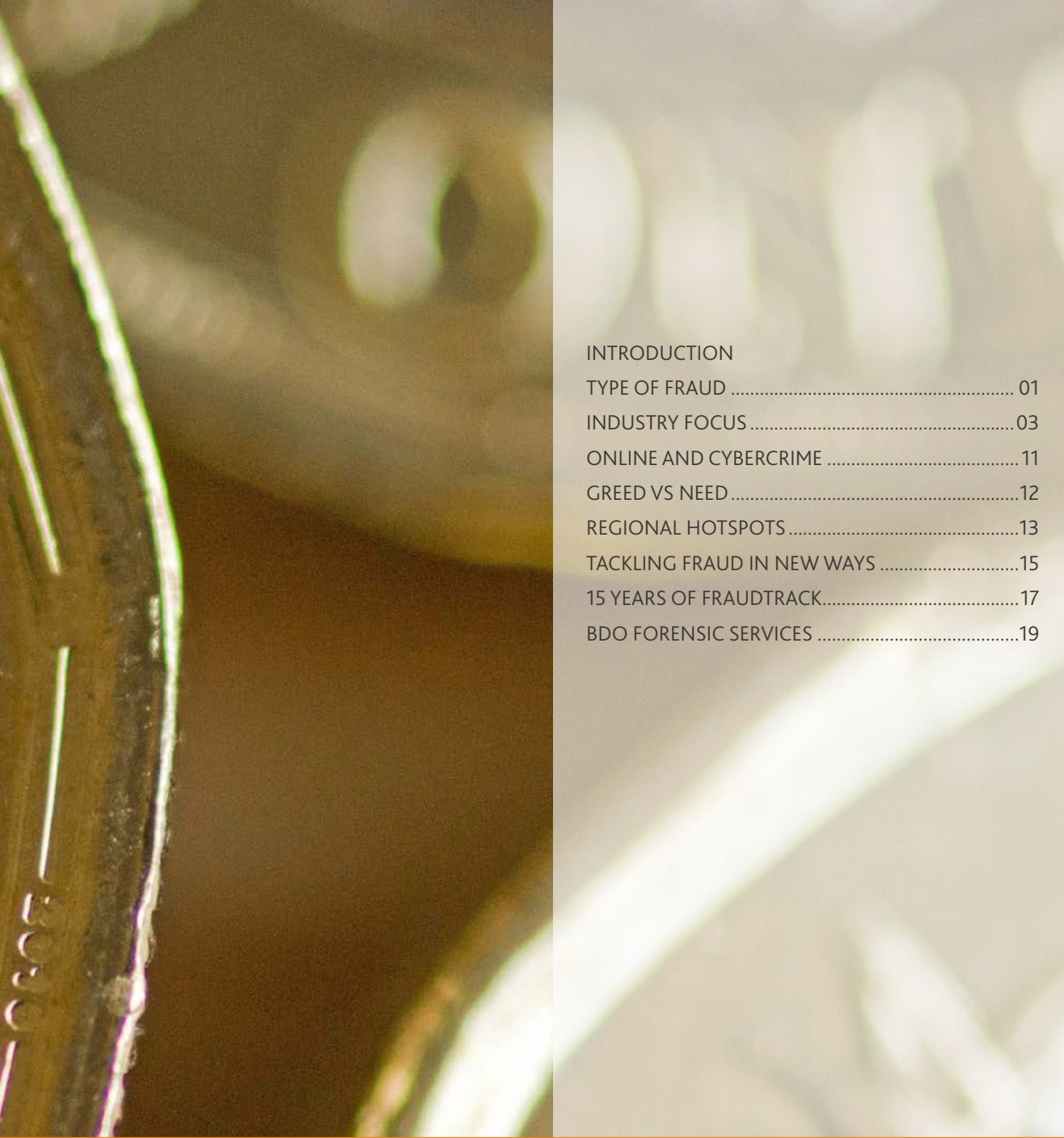




# FRAUDTRACK 2018

15 YEARS OF FRAUDTRACK



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# INTRODUCTION

Welcome to BDO’s 15th FraudTrack report. Since 2003, we have been tracking fraud cases reported within publicly available sources, valued at over £50,000 in the UK. Our findings have taken us from a miniscule, by today’s standards, value of fraud at £1.5m in 2003, to a high of £2.11bn in 2017.

## HOW HAS THE FACE OF FRAUD CHANGED?

In 2003, our report looked into the evolving technologies that made fraud a regular occurrence, both in the news and in our day-to-day lives. We also predicted that as economic conditions tightened and organisations increased control and actively searched for irregularities, more fraud would be discovered – stories of fraud dominating the headlines were simply due to the big money, scandalous cases.

In reality, today fraud seems to be growing at a magnitude that is beyond what we can effectively control and manage. Our 2003 predictions were correct - the key to challenging fraud and being vigilant against it are down to us as individuals. Businesses and individuals today have more resources than ever in the fight against fraud.

While a significant amount of fraud still goes unreported, our research suggests that people are becoming a lot more courageous in coming forward to report it and recovering their assets through the criminal or civil justice systems. There is now an expectation that fraud will be reported and investigated, both internally by corporations, charities, public sector entities and companies operating within regulated sectors. Stakeholders are seemingly no longer content to simply sweep fraud under the carpet in the hope that it will all go away.

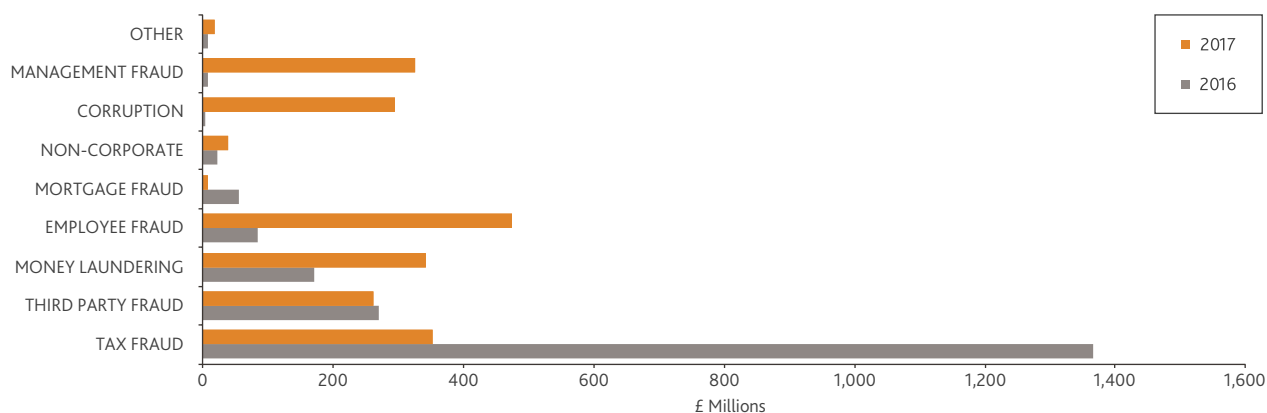
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**Kaley Crossthwaite**  
Partner, Head of Fraud

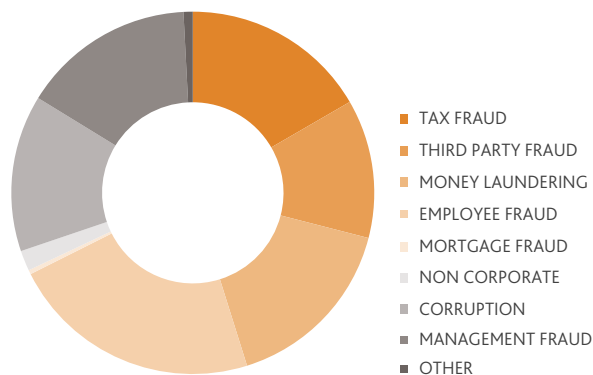
## TYPE OF FRAUD

THE THREE MOST COMMON TYPES OF FRAUD IN 2017 WERE EMPLOYEE FRAUD, TAX FRAUD AND MONEY LAUNDERING.

### VALUE OF DIFFERENT TYPES OF FRAUD



### SPLIT OF DIFFERENT TYPES OF FRAUD IN 2017



## EMPLOYEE FRAUD

Employee fraud experienced a large increase in value this year, from £83.2m to £474.3m. This fraud is defined as *'employees by themselves or in collusion with customers or suppliers, perpetrating fraud against the company, resulting in financial loss.'* Fraud can be damaging to businesses, both financially and in terms of how it affects employees. In order to prevent and detect fraud it is essential to be proactive. Implementing robust systems and controls is key, but it is equally important that their effectiveness is frequently tested and updates made where required. Taking this approach provides peace of mind that your fraud defences are up to date and your business is protected.

It is also crucial that sufficient training is provided to ensure that employees not only understand how and why the controls operate, but that they also understand what action to take if they suspect fraud has taken place. Educating your people is vital – they need to understand that they can report fraud effectively and anonymously, if they prefer.

## TAX FRAUD

Tax fraud saw a 74.3% drop in value to £351.8m from £1.37 billion in 2016. This was due in large part to the absence of a single £1bn VAT 'carousel fraud' case that occurred in 2016.

It does still contribute to a huge portion of the overall fraud suffered by the UK in 2017. Stories of VAT, council tax, overseas investment and customs duty frauds dominate the news. Recent HMRC statistics revealed that their specialist tax fraud investigations have led to over 750 individuals being convicted throughout 2017 for their crimes and that HMRC has charged suspects in over 1,000 new cases of tax fraud. Top cases they highlighted included a gang of smugglers bringing beer into the UK, evading £3.8m in duty and VAT and a perpetrator from south Wales who was part of a gang of four involved in a £400,000 VAT fraud.

► [Read more from our tax sector experts on page 7.](#)

“HMRC clearly want to investigate and convict tax fraudsters using their full range of powers. This is both to act as a deterrent for others and to penalise those who contribute to the tax shortfall in the UK. Anyone thinking that they will never get caught is living a deluded life. The information and resources available to HMRC are robust as never before.”

Dawn Register, Tax Dispute Resolution Partner, BDO

## MONEY LAUNDERING

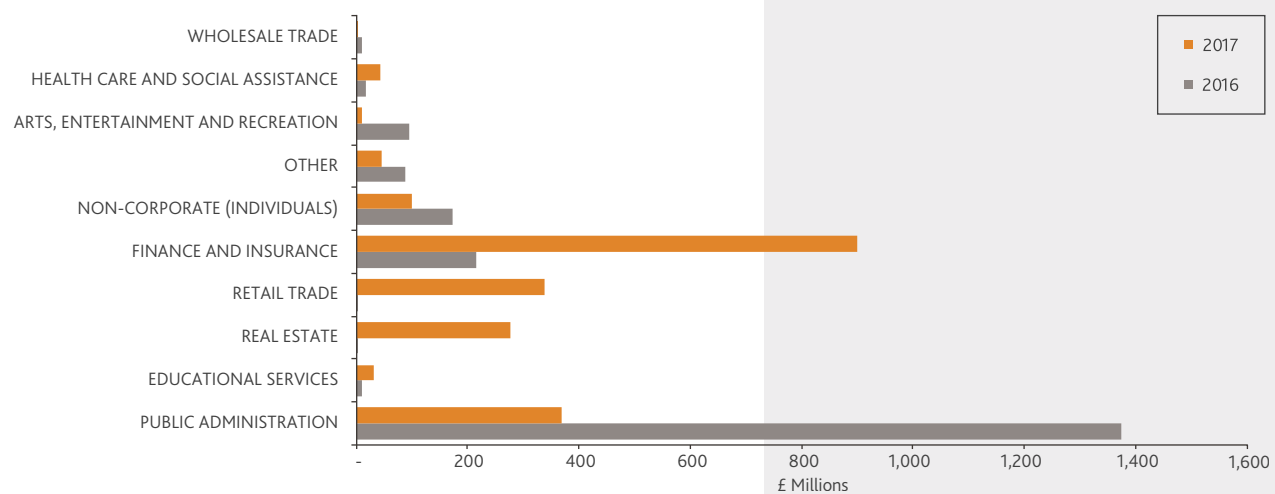
Some of the most significant anti-fraud tools that have grown in strength since we began FraudTrack in 2002 are as a result of the introduction of the Anti-Money Laundering (AML) regulations. Businesses are more alive than ever to AML obligations following the introduction of the Proceeds of Crime Act 2002 and subsequent legislation.

As our research shows, sometimes these controls fail. Some of the biggest money laundering frauds from last year include a policewoman and her bank-worker husband contacting victims claiming to be from the Lloyds anti-fraud department and duping them into revealing their account details. These were then plundered of vast sums of money which were transferred through various accounts supplied by corrupt bank employees before eventually being withdrawn from banks and ATMs - often just hours after the original fraud.



## INDUSTRY FOCUS

VALUE OF FRAUD BY INDUSTRY SECTOR



# INDUSTRY FOCUS

## FINANCIAL SERVICES

In the last year, the Financial Services sector has witnessed the largest increases in both volume and value of fraud - the total number of cases rocketed by 72.4% and the value of fraud rose by 318.8% to £899.7m.

Our research looks at the Financial Services sector as a whole and includes banking, insurance and mortgage fraud.

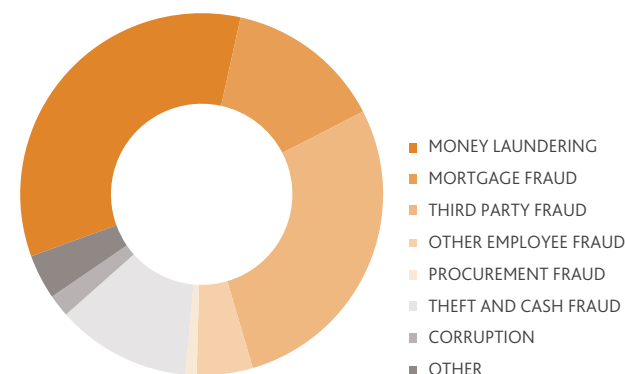
A category that appeared frequently during our research was corruption – a general term but one that we are seeing more and more warnings of in our business and personal lives. Anti-bribery and corruption education and tools are now part of most businesses' training provided to their employees. Two of the cases which arose during 2017 involved a banker who was paid £2.2 million in bribes to approve huge loans for gas and oil projects in former Soviet states and a group of corrupt financiers who carried out a £245 million loan scam. These cases demonstrate that corruption can occur at all levels of seniority and responsibility.

Employee fraud within the Financial Services sector experienced the highest jump in value over the last year, with an increase of 1269%.

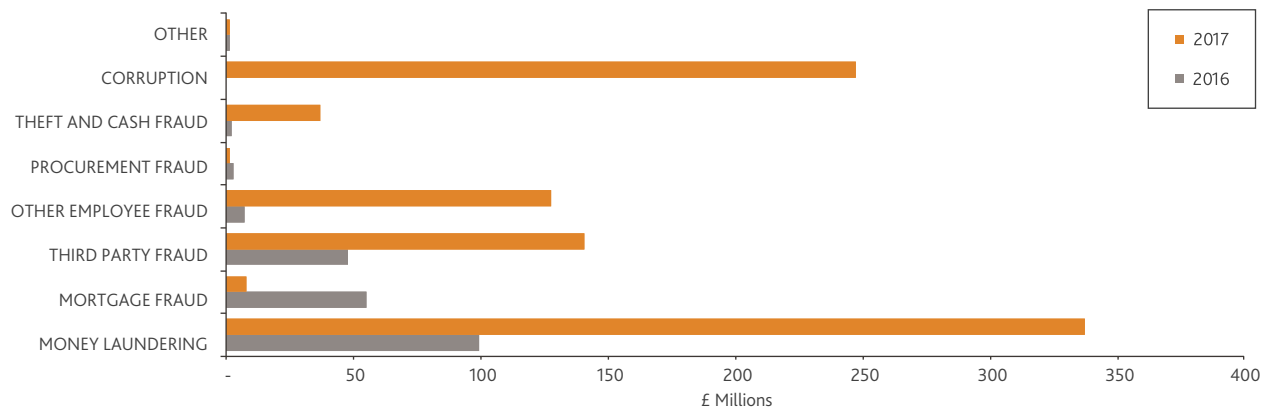
The increase in fraud in the Financial Services sector will be disappointing to financial services firms, many of who have been proactive in their approach to counteract fraud. The increase will also be of concern to the regulators, who have focused on tightening accountability in the sector for some time to mitigate fraud risks.

**Cases included a greedy Finance Director who took £6 million from his employers to pay for holidays and designer clothes and a bank worker who was jailed after admitting helping with a £381,600 fraud involving five customers. These stories again demonstrate that internal fraud is something that all of us need to be wary of in our day-to-day lives.**

### TYPE OF FRAUD BY VOLUME WITHIN FINANCIAL SERVICES IN 2017



### VALUE OF FRAUD WITHIN FINANCIAL SERVICES



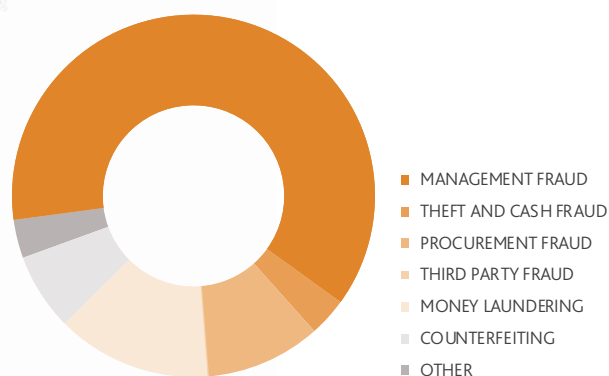
## INDUSTRY FOCUS

### RETAIL

Retail trade fraud has grown from £15.5m to £337.3m in the fifteen years since FraudTrack began.

The huge boom in online retail over this period has contributed to fraud within this industry increasing at a rapid pace. The sheer number of online retailers has meant that consumers are putting faith in these businesses and their owners to fulfil their orders quickly and efficiently – small online stores now need to keep up with online retail giants in providing their shoppers with high quality customer service. According to the [Office of National Statistics](#), in November 2017 the average weekly spending online was £1.2 billion; an increase of 10.2% compared with November 2016.

### TYPE OF FRAUD BY VOLUME WITHIN RETAIL IN 2017

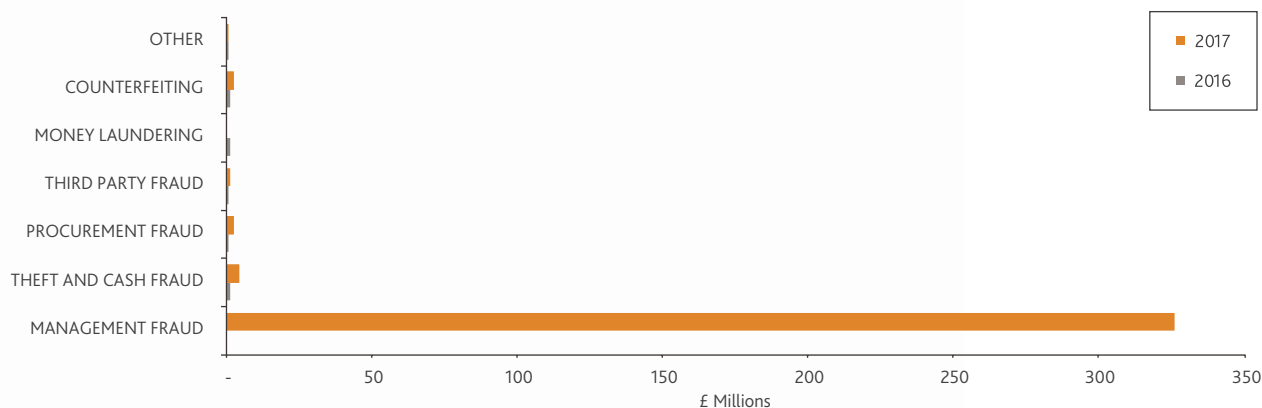


Fraud cases from within the sector include an Amazon seller who ripped off almost 2,000 people in a £1 million scam by offering non-existent electrical goods and two individuals who admitted to a £66,000 luxury packaging fraud after they failed to deliver the goods their customers had already paid for online.

We have also witnessed a significant increase in counterfeiting fraud within the Retail sector, whereby products such as designer clothes, accessories, electricals or cosmetics are brand copies but sold as authentic, with the overall value up 123% on 2016 to £2.8m.

Our research demonstrates that the top motive for fraud is still greed, or the desire for a lavish lifestyle. A couple of clicks on consumers' favourite online marketplaces will show how easy it is to buy counterfeit luxury goods online, something we expect to only grow with the increases in sophistication of online retail technology over the coming years.

### VALUE OF FRAUD WITHIN RETAIL





# INDUSTRY FOCUS

## PUBLIC ADMINISTRATION

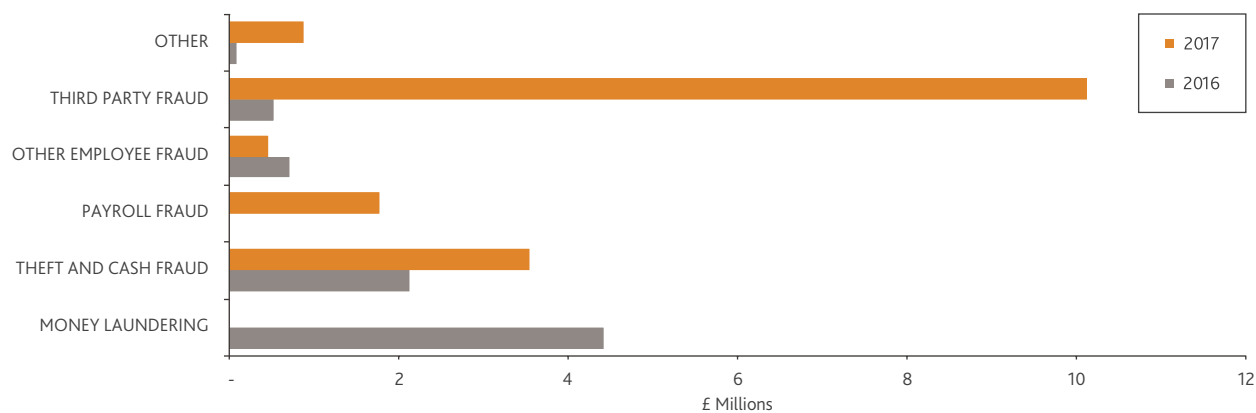
Public Administration is the second most common sector for fraud we have seen throughout our research. 130 of the 147 cases we saw were tax related, and the reported value of these cases ranged from £58k to £107m.

The sector saw a 73.2% drop in value to £368.5m from £1.37 billion in 2016. This was due in large part to the absence of a single £1bn VAT 'carousel fraud' case that occurred in 2016. The most common types of tax fraud reported were VAT fraud and Customs Duty fraud, with a number of stories involving tobacco being smuggled across the UK border.

**TYPE OF FRAUD BY VOLUME WITHIN PUBLIC ADMINISTRATION IN 2017**



**VALUE OF FRAUD WITHIN PUBLIC ADMINISTRATION (EXCLUDING TAX FRAUD)**



VAT is a notoriously complicated tax and the increased rate rises and harsher penalty regime introduced in recent years mean the risks it brings have never been higher.

In our recent annual survey, [Managing VAT](#), it was found that 80% of European businesses surveyed found VAT a particularly complex tax area. Around 55% of SME respondents said it was 'rarely/never' considered at a strategic level. Organisations should be aware of how this perception may filter down throughout the culture of their business.

Even HMRC aren't safe from internal fraud – one report involved an ex-VAT inspector who tried to claim more than £4m back from HMRC with 'fanciful' accounts, who was jailed for 28 months and another HMRC worker was jailed after she scammed £65,000 from the taxman by lying to her own employers and defrauding them out of huge sums in the very benefits she was employed to advise the public on.

### HMRC POWERS INCREASE

The government recently introduced three new 'strict liability' criminal offences relating to tax. These will assist HMRC in tackling offshore tax evasion and non-compliance as in future it will not need to demonstrate beyond reasonable doubt that a person intended to get their UK tax wrong.

HMRC can already prosecute individuals who dishonestly intended not to declare and pay their UK tax liabilities. The new offences relate to errors within, and late submission of, tax returns as well as failing to notify HMRC that a person needs to file tax returns, where the person failed to take reasonable care or did not have a reasonable excuse.

### THE CRIMINAL FINANCES ACT 2017 – TACKLING THE FACILITATION OF TAX EVASION

The Criminal Finances Act 2017 introduced new legislation that created two criminal offences for corporations failing to prevent 'associated persons' (including staff) from facilitating tax evasion. The new legislation affects all relevant bodies (ie, corporate bodies and partnerships) regardless of size or sector, including non-UK organisations where, for example, they have UK clients, a branch in the UK, or employees who travel to the UK for business. It also applies to charities.

[BDO has produced guidance on the Corporate Criminal Offences](#) with the Fraud Advisory Panel, which can be accessed via our website.

Our tax risk teams have also developed a risk assessment methodology and e-learning software for businesses to assess their risk under this new legislation.

For more information on HMRC's new methods of tackling non-compliance by corporates and individuals, take a look at the recent updates and articles from our teams.



# INDUSTRY FOCUS

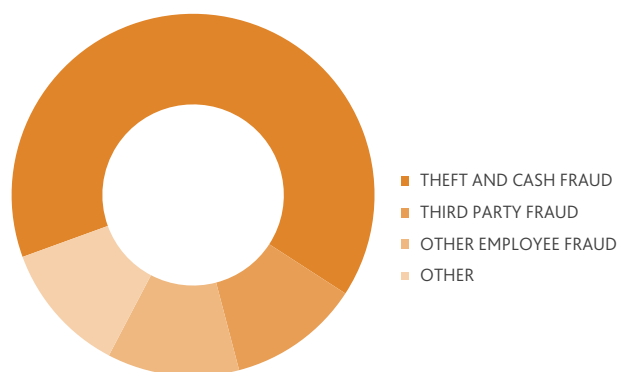
## CHARITY AND EDUCATION

Another dramatic increase in 2017 occurred in the Charity sector, with the value of fraud rising over 300% to £8.5m, up from £2.1m in 2016, as the number of reported cases almost doubled.

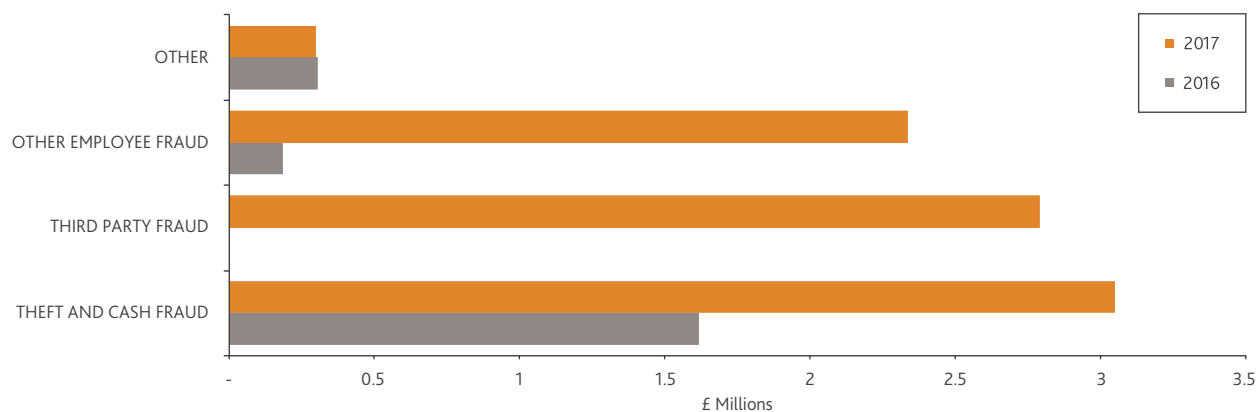
### IN SOME OF THE MOST SHOCKING REPORTS, FRAUDS INCLUDED:

- A former head of finance at a homeless charity facing trial after being accused of committing fraud. He was arrested on suspicion of an "extensive fraud", believed to be up to £1m. Since the investigation, the charity was forced to declare itself insolvent.
- A couple who defrauded charities and businesses out of £300,000 who were jailed for a total of eight years. A two-and-a-half-year investigation by North Yorkshire Police's Serious Crime Team found that the couple's criminal activity led them to defrauding charities and businesses across the UK out of a total of £300,000 with a series of mandate frauds.
- A woman employed as an administrator for a charity for the elderly, who was jailed for stealing over £50k from the organisation.

### TYPE OF FRAUD BY VOLUME WITHIN CHARITY & EDUCATION IN 2017



### VALUE OF FRAUD WITHIN CHARITY AND EDUCATION



Charities remain a key target for fraudsters. With funds and donations coming in and out of the charity from a variety of sources, complicated governance structures and often small teams working in-house, it is of little surprise that charities of all sizes can fall victim to fraud.

The education sector was also hit by fraud, although on a smaller scale – again, most of the frauds reported were from employees of schools and colleges who scammed money from their employers.

A recent [Charity Commission alert](#) warned parents about payment diversion fraud – a fraud that involves falsely creating or diverting payments. In reports from Action Fraud, it was shown that fraudsters are placing themselves in the middle of transactions between parents and schools. The fraudster contacts the parents outlining details and payment instructions for the latest school fees, appearing to be sent from the school's own compromised email system. The victim then makes the required payment into the bank account, which is in the control of the fraudster. By the time the fraud has been identified, the funds have already disappeared.

BDO's 2017 report into cyber fraud, Private View on Cyber, featured a specialist analysis on charity fraud. [Visit our website to read the full article.](#)





## INDUSTRY FOCUS

### ONLINE AND CYBERCRIME

A huge portion of our research involved fraud committed online – with a value of over £460m.

Phishing and whaling are online scams that are now in the everyday consciousness. Banks are creating specialist advertising campaigns to warn customers against online and telephone fraud in which criminals aim to cheat their way into individuals' mobile banking accounts.

#### PHISHING SCAMS

Phishing scams are a type of social engineering in which an email purports to be from a trusted colleague, friend or organisation. These emails are increasingly sophisticated and examples include emails sent purporting to be from another employees asking for a quick transfer of money or funds to a certain account.

#### RANSOMWARE

There are many stories of ransomware being spread through downloading attachments or clicking links in innocent looking emails. A quick online search will reveal the many victims of the CryptoLocker virus, where victims were required to transfer around \$500 in bitcoin to recover their files which were encrypted by the ransomware. You should also be aware of the more sophisticated "whaling" attacks. Whilst in essence these are the same as phishing scams, the perpetrator will target powerful, wealthy individuals through a legitimate looking business email – often having researched their target.

However, a number of the frauds researched were much simpler. Phone scams to elderly and vulnerable victims, where fraudsters simply pretend to be a trusted person or employee, are unfortunately highly successful.

#### HOW IS TECHNOLOGY AIDING THE FIGHT AGAINST FRAUD?

There are a variety of technology solutions available to companies in order to tackle fraud. Traditionally, these would be focussed around anomaly detection and applying rules-based tests to datasets usually comprising structured data (e.g. from financial systems). As technology has moved on, we now have a toolbox of more sophisticated techniques at our disposal. Real time monitoring of data is now relatively common in highly regulated industries, such as financial services. For example, high risk transactions as well as email or instant message communications containing certain terms/phrases or other properties, are automatically flagged to the company's compliance team for review.

A variety of tools using artificial intelligence are also available and can be utilised to tackle fraud. For instance systems are trained on vast quantities of financial data to enable them to automatically determine the risk associated with each transaction in a dataset. Sentiment analysis can also be employed to assist in detecting fraud, for example by analysing the language used in communications to identify those expressing concern or anxiety ahead of an audit.



## GREED VS NEED

### WHAT ARE THE MOTIVATORS BEHIND FRAUD?

The most common attributable motive for fraud remains the desire for luxury goods, holidays and an upmarket lifestyle.

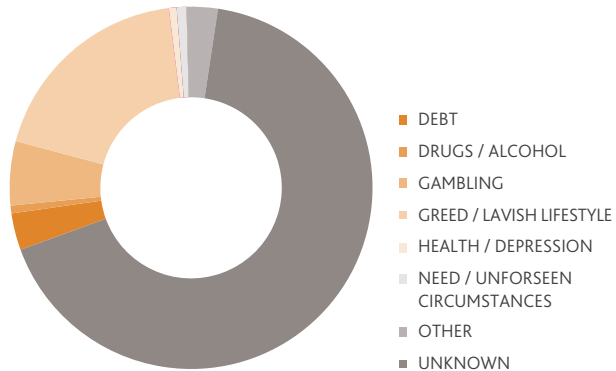
In nearly all of the reports analysed, the fraudster would inevitably splash their newly found cash on fleets of luxury cars, designer goods and expensive trips abroad. One family of VAT scammers stole £45m from taxpayers and lavished it on a fleet of luxury cars, race horses, gambling trips to Las Vegas and mansions around the world. Another young woman conned pensioners out of £2m to fund her luxury lifestyle of the best restaurants and trips to the races.

The research also uncovered some unusual cases. A number of instances involved celebrity endorsements being used to lend credibility to scams, as well as cases where celebrities have been victims of fraud. One of the biggest celebrity-related frauds was a £100m tax scam in which 730 celebrities, including comedians, sports stars and relatives of politicians, were conned into believing they were investing in cutting-edge research and development reforestation projects in Brazil and China.

A couple of cases stood out demonstrating that even the most well respected local figures can be caught up in fraud

- A group of elderly nuns are accused of fraudulently profiting by up to £31million from the sale of a plot of land. The case continues and the nuns' lawyers are proceeding to defend the claim.
- A former vicar appeared in court charged with stealing £163,000 from the diocese of Liverpool – again, the case continues.

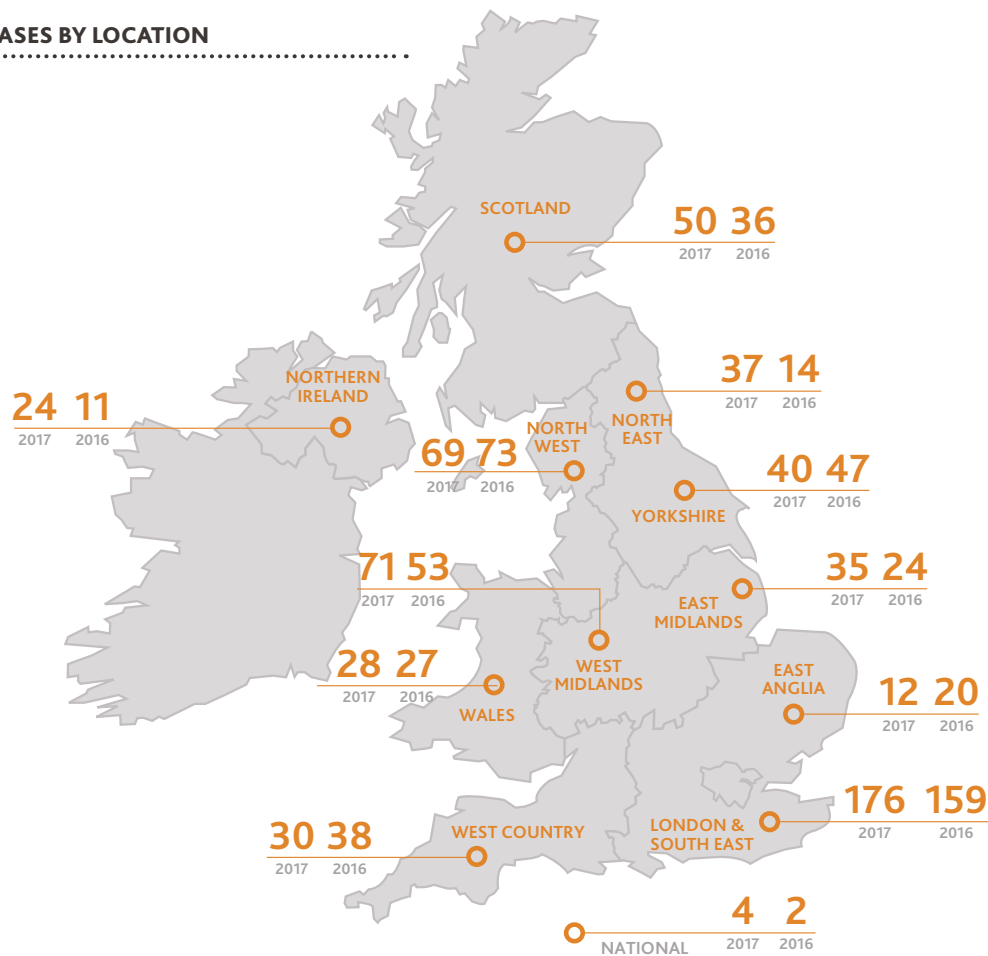
#### ANALYSIS OF MOTIVE IN 2017



# REGIONAL HOTSPOTS

IS ANYWHERE IN THE UK FRAUD-PROOF?

## VOLUME OF FRAUD CASES BY LOCATION



## VALUE OF FRAUD CASES BY LOCATION

| LOCATION             | 2017<br>VALUE OF<br>REPORTED FRAUD<br>CASES (£) | 2016<br>VALUE OF REPORTED<br>FRAUD CASES (£) |
|----------------------|---|--|
| EAST ANGLIA          | 4,874,337                                       | 15,055,749                                   |
| EAST MIDLANDS        | 16,887,609                                      | 20,820,334                                   |
| LONDON & SOUTH EAST  | 1,625,580,042                                   | 381,404,343                                  |
| NATIONAL             | 26,600,000                                      | 1,080,000                                    |
| NORTH EAST           | 22,014,164                                      | 11,318,165                                   |
| NORTH WEST           | 115,654,234                                     | 34,470,544                                   |
| NORTHERN IRELAND     | 24,188,304                                      | 6,012,968                                    |
| SCOTLAND             | 16,154,778                                      | 69,596,077                                   |
| WALES                | 16,013,904                                      | 49,098,200                                   |
| WEST COUNTRY         | 8,827,429                                       | 108,134,358                                  |
| WEST MIDLANDS        | 203,238,586                                     | 270,872,534                                  |
| YORKSHIRE            | 34,383,664                                      | 1,017,835,539                                |
| TOTAL VALUE OF FRAUD | 2,114,607,051                                   | 1,985,698,813                                |

London and the South East remains the biggest hotspot for fraud in the UK in 2017 with the number of cases up by over 10% to 176 and the total value increasing by 326% to £1.63bn.

The Midlands is the largest hotspot for fraudsters outside London, with a 38% increase in the number of reported fraud cases since 2003 but an overall fall in the average value of fraud from £6.8m to £3.2m.

The average value of fraud in the North West has increased by 255% since 2016 to £1.68m, with tax fraud accounting for more than 56% of the total value of all reported cases in the region.

Of course we might expect fraud to be higher in big cities as the concentration of people and businesses is higher. However, this does not account for individuals who commit fraud alone or with no real connection to any particular place in the UK. Our research demonstrates that fraud happens all over the UK at a high frequency – and only covers reported fraud. What about those who get away with it?

“ Whilst the regions outside London have experienced a fall in the total value of fraud in 2017, the 16% increase in the reported cases of fraud in the regions shows the growing risk of fraud. The rising economic pressures and the continuing sophistication in technology mean that fraud is still a contemporary risk for most businesses and therefore it is essential that businesses continue to deploy a proactive risk-based approach to protect themselves from harm's way.”

**Sat Plaha**, Partner and Head of Regional Forensic Services





## TACKLING FRAUD IN NEW WAYS

### THE FIRST EVER SERIOUS CRIME PREVENTION ORDER OBTAINED BY THE INSOLVENCY SERVICE

Serious Crime Prevention Orders (SCPOs) are civil orders to prevent or deter serious crime. Breach of an SCPO is a criminal offence punishable by up to five years' imprisonment and an unlimited fine. The restrictions that SCPOs can include are wide-ranging. Data from the [National Crime Agency](#) demonstrates that there are currently over 300 SCPOs in effect in the UK.

One [story](#) from 2017 involved the Insolvency Service, who obtained their first SCPO. The result of this is that the habitually offending fraudster now cannot so much as open a bank account or start a new business without informing the authorities. If he breaks the order he risks five years' jail in addition to the latest sentence he's been given. The fact that the Insolvency Service took this action demonstrates that they, amongst other governmental bodies, are taking fraud seriously and recognise that perpetrators are often not one-time offenders.

### UNEXPLAINED WEALTH ORDERS

Another tool introduced by the Criminal Finances Act 2017 is [Unexplained Wealth Orders](#). This provision specifically targets red flag situations where a person buying expensive items, like property or jewels, doesn't appear to be wealthy enough to make the purchase. It could be a politician or a small business owner who buys a multi-million-pound property in central London. If the person has links to serious crime or access to public money, then the authorities can act.

The UK law enforcement agencies can now use Unexplained Wealth Orders to investigate the source of that money and, if it is found to be corrupt, more easily return it to those from whom it has been stolen.

### HMRC FRAUD INVESTIGATION TEAM

HMRC have numerous ways of targeting tax fraudsters, from random checks to full, serious tax investigations. In 2015 they introduced their specialist fraud investigation service, set up following an internal restructuring and in 2017 launched a new fraud hotline, which replaced two separate tax evasion and customs hotlines with one, streamlining HMRC's intelligence gathering on tax fraud.

## PRIVATE PROSECUTIONS

Individuals who have fallen victim to crime are exploring the option of private prosecutions.

### WHAT IS A PRIVATE PROSECUTION?

The CPS defines a private prosecution as 'a prosecution started by a private individual, or entity who/which is not acting on behalf of the police or other prosecuting authority'. A 'prosecuting authority' includes, but is not limited to, an entity which has a statutory power to prosecute. It is, put simply, a criminal prosecution pursued by a private person or body and not by a statutory prosecuting authority. For all other purposes it operates in exactly the same way as a criminal prosecution brought by the authorities.

### WHY WOULD ANYONE PURSUE PRIVATE PROSECUTION RATHER THAN LET THE POLICE/CPS SIMPLY DO THEIR JOB?

The main reason is down to the fact that the police and other traditional law enforcement agencies have suffered massive cutbacks over recent years and no longer have the resources to dedicate to certain types of crime.

Investigation of economic crime and cybercrime in particular, has borne the brunt of austerity measures with the loss of specialist economic crime teams within police forces resulting in a lack of specialist knowledge. The rate at which these crimes occur often outweighs the support that these teams can provide. This can leave victims of these types of crime feeling increasingly frustrated at lack of police action, making private prosecutions an attractive option in the pursuit of justice.

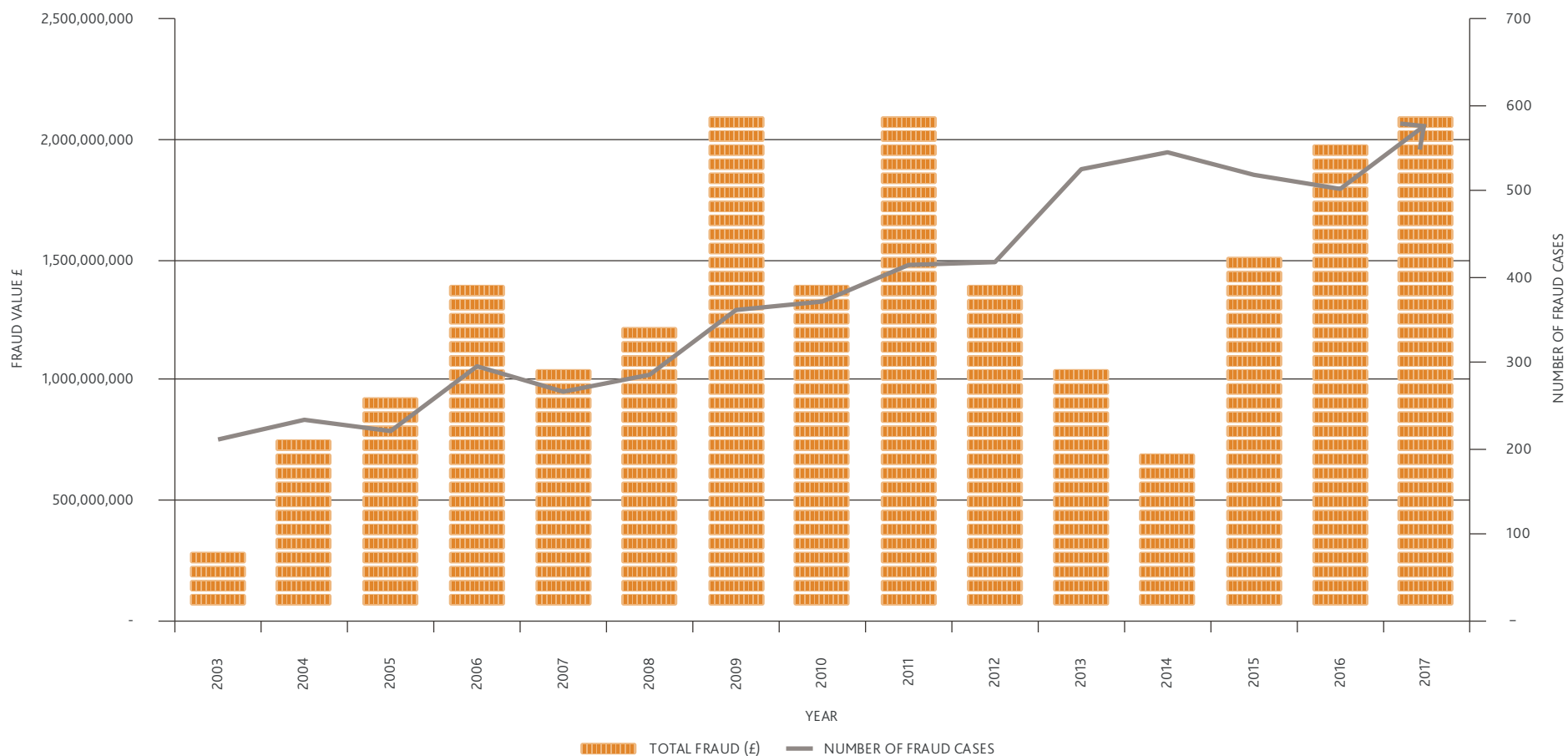
One particular high profile private prosecution case was brought by businessman Murli Mirchandani, against Mr Ketan Somaia in 2014. Mr Somaia had made deliberate and dishonest representations to Mr Mirchandani to persuade him to make short term loan payments to him to the value of £13.5 million, with the assurance of high rates of interest and investments in business opportunities. He then used the money to fund his own lavish lifestyle and support his own failing companies, without returning a penny to Mr Mirchandani. Mr Mirchandani reported the matter to the police, however they declined to investigate. He then commenced a private prosecution and, following a lengthy trial, Mr Somaia was found guilty of 9 counts of obtaining a money transfer by deception and was sentenced to 8 years' imprisonment. He was later subject to a £20m confiscation order and was ordered to pay Mr Mirchandani £18m in compensation.

This article originally appeared as part of our [interview with specialist Private Prosecution firm Edmonds Marshall McMahon](#).



# 15 YEARS OF FRAUDTRACK

## FRAUDTRACK 15 YEAR SUMMARY



### INTERNATIONAL – GLOBAL BENCHMARKING

How does fraud affect us on a global scale? Cyber fraud is one type of fraud that affects all individuals on a global scale.

BDO's 2017 Global Risk Landscape survey gathers qualitative insight from 500 c-suite and senior level experts across 55 countries, to gain their views on the main risks facing their businesses both today and in the future. The results of this year's research capture perception of risk at a unique moment in time, with increasing evidence of regional similarities in a globalised and interconnected world.

According to 72% of respondents to the survey, the world has become a riskier place. Is this an accurate reflection of the evolving global risk landscape?

### CYBER RISKS

Respondents remain critically aware of the detrimental effects of cyber incidents. High profile data breaches seem to hit the headlines almost weekly and demonstrate the significant long term impact on those affected. Drops in share price, brand damage, loss of clients and difficulty winning new business are just a few of the repercussions to be expected. Changes to Data Protection legislation in Europe will bring with them financial penalties that far exceed the sanctions applied in the past.

The threat only continues to grow as attacks become more sophisticated and widespread. A study by IBM Security concluded that ransomware attacks had grown by 6,000 per cent in 2016 and were on track to be a \$1 billion business by the end of the year.

[For your copy of BDO's Global Risk Landscape report, please get in touch.](#)





# BDO FORENSIC SERVICES

## FRAUD AND FINANCIAL INVESTIGATIONS

If you have concerns about potential fraud and financial crime or have discovered it in your business, it is vitally important you respond quickly and get expert assistance.

A rapid response can be critical to the success of any investigation.

Our specialist team of fraud and financial crime experts has a range of backgrounds in criminal investigations, forensic accounting and forensic computing and are skilled at conducting sensitive financial investigations.

We regularly conduct large-scale, complex investigations for the UK's leading law enforcement, prosecution and regulatory agencies, as well as for corporations, major banks, foreign governments and law firms. We work closely with colleagues from across BDO's international network to provide expertise across the globe, no matter where the issue is discovered or what business sector it is in.

### Our investigation services include:

- **Rapid response** fraud investigation
- **Investigation** into accounting irregularities and financial misstatements
- **Corruption and bribery** investigations
- **Regulatory investigations** (including Skilled Person assignments)
- **Asset tracing** and recovery
- **Investigations** linked to contentious insolvency matters
- **Quantification** of loss
- **Background checks** and desktop reviews
- **Specialist advice** to the board on next steps
- **Shadow investigations**

### DETECTION & PREVENTION

We advise businesses on detection and prevention of fraud and financial crime including anti-bribery and corruption and anti-money laundering.

We help organisations understand the specific risks relevant to their business and develop best practice procedures and solutions which protect businesses against the threat of economic crime.

### Our services include:

- **Development** of specific fraud prevention measures – including advice on recruitment, codes of conduct and systems and controls
- **UK Bribery Act** and FCPA advice
- **Review** of anti-bribery systems and risks
- **Development** of anti-bribery controls
- **AML** and Counter Terrorist Financing (CTF) advice
- **Development** of Know Your Customer and Politically Exposed Person procedures
- **Pre-transaction** due diligence

### GLOBAL FORENSIC SERVICES

With resources in more than 150 countries, BDO's Global Forensic practice helps multinational organisations identify and mitigate risks associated with fraud and corruption through services customised to meet their specific needs. Our Global practice has expertise in global fraud investigations, forensic technology, cross-border dispute resolution, anti-money laundering and compliance monitorships.

Our professionals leverage BDO's global network of more than 64,000 professionals located in over 1,400 offices around the world. Having resources on the ground both locally and globally, we assist clients with cross-border matters that require knowledge of local business cultures, foreign languages and privacy laws.

# FORENSIC TECHNOLOGY

## TECHNICAL EFFICIENCY, EVIDENTIAL INTEGRITY



BDO has a dedicated and highly experienced forensic technology team with a personable approach and the insight to overcome the most challenging technicalities in data identification, retrieval and analysis.

We are at the forefront of forensic investigation and review, with a wealth of knowledge and technological expertise to provide the right technical solution and support to your case.

### Our Forensic Technology services include:

- **Forensic digital data** collection and preservation
- **Forensic data analysis** and expert opinion
- **Corporate** network systems
- **Mobile** device analysis
- **Cloud-based data** identification and investigation
- **Backup & tape** archive system restoration
- **Structured** data analytics
- **Social network** intelligence analysis

### E-DISCOVERY & E-DISCLOSURE

The BDO Forensic Technology team is very experienced in the field of eDiscovery, eDisclosure and digital litigation support. Using state of the art data processing tools we are able to present data for review using the secure online review platform 'Relativity'. This means that wherever you are in the world, as long as you have access to the Internet you can review your data.

These services can be provided from beginning to end of a case, or where required. We can also prepare previously captured data for review in other review platforms hosted externally.

This might be used by a firm involved in inter-company litigation, where external lawyers are analysing data to determine the strength, validity & extent of the claim(s), or receiving disclosure from the other side as part of an ongoing case.

► [Read our guide.](#)



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## **ABOUT FRAUDTRACK**

FraudTrack is prepared by BDO LLP and is based on fraud cases over £50,000 reported between 01/12/2016 and 30/11/2017. The sources for the database are publically available and include the UK's national, regional and local press.