

Investigative Analytics

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Organizations are increasingly aware of the risks and financial losses associated with fraud and expense abuse. Through our forensic data analytics, HCVT will help assess, detect, and make recommendations concerning internal control weaknesses and vulnerabilities, asset misappropriation, embezzlement, fraudulent financial reporting, and other instances of fraud. By analyzing accounting, human resource, customer, and vendor data, HCVT will identify suspicious transactions, suspected misconduct, and gaps in the segregation of duties in your control environment. Finally, we will recommend methods to reduce the risk of fraud in the future.

Our areas of experience include:

Expense Management (including cash reimbursements, credit cards, and P-cards)

- Mischaracterized, fictitious, or overstated expenses
- Duplicate reimbursements
- Purchasing limit analysis
- Business vs. personal purchases

Inventory and Cash Receipts

- Falsification of requisitions, receiving, and shipments
- Sales and receivables skimming

Financial Statements

- Overstatements of revenue/assets
- Understatements of expense/liabilities
- Management override of internal controls
- Unusual general ledger transactions
- IT user access rights

Accounts Payable and Billing

- Vendor master file assessment
- Shell vendors
- Duplicate payments
- Check tampering such as missing or voided
- Related parties and unexpected employee/vendor relationships

Payroll and Timesheets

- Ghost employees
- Unauthorized salaries, wages, and commissions
- Timesheet anomalies

Solutions for Uncertain Economic Conditions

Organizations have been forced to adjust their strategies, policies, and procedures in response to drastic changes and economic uncertainties resulting from the novel COVID-19 pandemic. Companies must continue monitoring and assessing internal controls and risk exposure to prevent potential fraud during these times of such significant change.

Decreased revenues and cash flow forecasts have caused large-scale reductions in the workforce. This has created gaps in processes that may be bridged by giving employees emergency access to systems and disregarding policies and procedures, making the appropriate segregation of duties no longer a viable option. This opens companies up to the theft of cash and other company assets, and this occurrence of fraud can truly devastate an already precarious company.

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Work From Home Procedures

The impact of social distancing on our work arrangements and employee policies have introduced new fraud opportunities to nearly every industry. Procedures ranging from physical sign-offs evidencing review and approval to the retention of records have changed to accommodate the 'new normal.' Priorities have judiciously shifted to supporting employee health and transitioning to remote working arrangements. However, businesses must still focus on fraud risk despite the current challenging environment to avoid any negative consequence.

Economic Environment

The significant financial downturn and current economic uncertainties present the threat of creating desperation among employees. Household income has decreased as industries are on hold, wages have been reduced, parents are working less to care for and teach their children, and annual salary increases are delayed. These circumstances create anxiety and hardships on employees that can lead to taking desperate actions to withstand the impact of burdened financial positions.

We Are Here To Help You Protect Your Business

By analyzing accounting, human resource, customer, and vendor data, HCVT can help identify suspicious transactions, suspected misconduct, and weaknesses in your control environment. We provide practical insights and effective solutions to mitigate risk. Possible scenarios include the following:

- Personal purchases with company credit cards for household items
- Duplicate vendor payments refunded to the employee
- Falsification of inventory records to hide employee theft of household items
- Inflated employee pay that is inconsistent with timesheets
- Fictitious employees are created in the payroll system
- The same employee creates physical check payments working from home and has the authority to sign checks.
- Friends and family of employees are set up as vendors and paid for false invoices
- Financial statement manipulation to hit goals for bonuses