Case Study #1: "Trust Me"

The Country Manager of an American business with operations in the Philippines requested assistance in finding how and who syphoned off thousands of US dollars from accounts. Logical investigative steps led to the identification of a finance manager who had worked for the company for 5 years. She took advantage of the company's large employees and lack of 3rd party audits (which was a company requirement) and hid the thefts in payments to "ghost employees" and deposited the money into accounts she had established herself.

Instead of spending all the money on material items, the accused used the money to invest in small businesses like bottled water dispensing, automobile leasing, janitorial services, and grounds keeping. The number client for all of these businesses she had established was the company she had stolen from.

A background check revealed the finance manager had tried the same thing in her previous multinational employer but was caught in the first attempt. The victim company did not do a proper background check so they were unaware of this.

Lessons Learned:

1. The same characteristics that make a good employee are often used by a criminal as they seek access and access is provided to persons in positions of trust.
2. While company policies should always be followed, one should never assume they are and a system of checks and balances should be employed.
3. Background checks for everyone are crucial especially for personnel involved with the access to money and/or intellectual property.

Case Study #2: Catch Me If You Can

A multinational business with offices throughout the PACRIM requested assistance in finding a former employee who had diverted large sums of money to an account he owned and then vanished with the money. A painstaking skip tracing activity, the accused was found living in a small provincial town in the Philippines. Further investigative activity disclosed the company had recently restructured and made the accused a redundant employee. He worked another 90 days giving him time to establish several accounts and divert funds to them.

Most of the money was retrieved.

Lessons Learned:

Should an employee be made redundant, pay them what is required and remove them at once to avoid issues of theft, fraud, and corporate espionage issues.

Case Study #3: Taller Than She Looks

A multinational insurer requested proof of death for an insured person who they had received a death certificate for. The deceased was a 45-year old female who had taken out a large life insurance policy and 6-months later, while on vacation to her home in the Philippines, reportedly died from after a short illness. ARC learned the woman had already been buried. Aside from her death certificate, ARC were able to obtain receipts for her casket. ARC, knowing local culture were concerned with the fact there was no headstone or even a discussion about the cost of a headstone. Upon further review of the death certificate and the coffin receipt, it was noted the coffin was 4inches shorter than the deceased. On hearing this, the insurer requested “proof of life.” A game of “cat and mouse” ended when ARC learned the woman was receiving survivor benefit checks from her dead husband (who had killed in railroad accident). An Inquiry with the government office disclosed the checks had been continuously received by the woman and the last 5 were collected at their dispersing office in Manila. ARC went to the dispersing office on the day the woman picked up the check and photographed her in the lobby receiving the check. This proof of life enabled the insurance company to deny payment of the death claim.

Lessons Learned:

If you are 5’4” tall and want to fake your own death, make sure you buy a 5’4” coffin…

Case Study #4: Fooled You!

A multinational business was concerned about his local country partner. They had been in business for 7 years and never seemed to make any money. According to financial statements, their revenue was constantly just under the line of probability but it did not line up with product orders, which suggested good profits. Investigative activity disclosed reams of discarded financial information and other evidence suggesting the local business was maintaining 2 separate books. When confronted with the evidence, the country partner admitted his activity of maintaining separate books and cheating his corporate partner. Further investigative activity disclosed the country partner was also in business with another competing multinational brand. Neither brand conducted a thorough enough due diligence to see this person was engaged in a dubious practice.

Lessons Learned:

1. When entering business in a new market place, always conduct a thorough due diligence. That means looking at more than financial statements and checking liabilities.
2. Regardless of what anyone may insist, using a networked enterprise-wide financial platform is preferable so all parties have access to mutual numbers.