

FORENSIC INVESTIGATIONS

VENDOR FRAUD

Sikich has extensive resources in dispute advisory, damages calculations, fraud investigations, eDiscovery, computer forensics, data analytics, valuation, and insurance claims.

Sikich will provide sophisticated, resourceful and objective expertise to your business with our forensic accountants, auditors, certified fraud examiners, former city government inspector general, cyber security and computer forensic specialists, data analytics experts, and credentialed valuation experts.

The Sikich investigations team has significant capabilities to assist clients with fraud and corruption investigations related to vendor activities. It is a common mistake for companies to have too much trust in their vendor selection and procurement process as result of the controls and attention that most have put into the procurement process. However, it is relatively easy for fraud to be committed by vendors if there is a weak link in the process. The weak link could be a rogue employee, collusion between vendors or an overworked or inattentive procurement team. Even with significant training, spotting signs of vendor fraud is difficult for most executives and their accounting staff. Some types of vendor fraud that Sikich has extensive experience in investigating includes:

- Conflicts of interests
- Fake vendors
- Falsified invoices
- Duplicate payments
- Price fixing
- Bid rigging
- Kickbacks and bribes
- Overstatement of consultant hours

Further, the Sikich team supports organizations, whether as part of an investigation or as a stand-alone anti-fraud assessment, in identifying controls and process weaknesses that make the entity more susceptible to fraud. Some of the services that Sikich provides to combat the presence of vendor fraud include:

- Fraud investigations
- Vendor due diligence (ex. background checks of vendors)
- Forensic data analytics
- Controls and process review

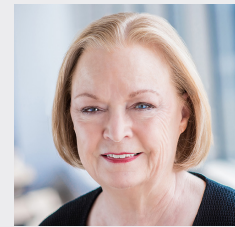
Proactive forensic data analytics are extremely helpful in both (1) identifying at-risk vendors or transactions and (2) for providing management with a dashboard of the vendor setup and procurement landscape. Common proactive forensic data analytic analyses performed to identify possible vendor fraud include:

- Matches of employee to vendor details (phone number, address, bank account, etc.)
- Searches for sequential and/or suspect vendor invoice numbering patterns
- Non-typical business day or hour transactions
- Round dollar or other unusual dollar amount payments (Benford's Analysis, etc.)
- Invalid, duplicative or missing addresses or other contact information
- Payments just under approval thresholds
- Duplicate payment indicators
- Review of vendor names for unusual/unexpected vendors
- Change log records (bank account flip-flops, etc.)
- High-level summaries, such as 'Top 10' vendors by dollar amount

For more information about our services, visit www.sikich.com/forensic-valuation

Sikich LLP is a leading professional services firm with offices nationwide specializing in accounting, technology and consulting services.

OUR EXPERT



MARY O'CONNOR
ASA, CFE
PARTNER-IN-CHARGE

T: 312.648.6652
E: mary.oconnor@sikich.com