

FORENSIC
INDUSTRY

CASE STUDY:

Marcum's Forensic and Compliance Capabilities Supported this Technology Client

ABOUT THE CLIENT

A large, publicly traded digital technology corporation headquartered in the United States and with operations and customers across the world.

THE CHALLENGE

Our client acquired a company in Latin America and needed to undertake a post-acquisition anti-bribery and anti-corruption audit, consistent with corruption mitigation best practices as described in U.S. Department of Justice and Securities and Exchange Commission guidance. The acquired company conducted business throughout South America through multiple legal entities, and it lacked an integrated financial reporting system and had inadequate documentation in support of various transactions.

THE GOAL

Marcum was charged with performing a post-acquisition anti-bribery and anti-corruption audit that could withstand regulatory scrutiny in the event our client needed to demonstrate to either the U.S. Department of Justice or the Securities and Exchange Commission that it had timely conducted a thorough assessment of the acquired entity's operations for the purpose of identifying any past instances of corrupt activity or existing processes that could facilitate corrupt conduct.

THE PROCESS

Marcum's team of professionals combined extensive experience in anti-bribery and anti-corruption investigations, risk assessments, and compliance programs. Our team included personnel based in the U.S. and Latin America with English, Portuguese, and Spanish language capabilities, as well as forensic technology experts.

Marcum performed the engagement through a combination of on-site and remote work, and adapted the engagement approach when more of the work needed to be performed remotely. Marcum maintains a flexible model throughout the engagement in order to provide the client with the right mix of resources, as needed.

Marcum's engagement approach included:

- ▶ Understanding the acquired company's financial, operational, and regulatory profile in order to assess inherent bribery and corruption risks.
- ▶ Performing interviews of acquired company employees to discuss governance, compliance, and interaction with government officials and agencies.
- ▶ Testing selected disbursements that occurred during the scope period, including disbursements for each of the legal entities associated with the acquired company.
- ▶ Analyzing the sales and business development process for sales to public sector entities, including examining specific bids, related contracts, and contract activity.

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THE PROCESS CONTINUED

- ▶ Assessing the use of intermediaries and testing related activity.
- ▶ Reviewing emails of acquired company employees to identify communications and documents relevant to the engagement scope. This step mitigated the risk of potentially failing to identify nefarious conduct as a result of the acquired company's lack of adequate documentation to support various transactions.
- ▶ Recommending improvements to address identified bribery and corruption risks.

THE SOLUTION

By bringing together the right team and executing a scope of work tailored to the acquired entity's specific risks, Marcum successfully conducted a post-acquisition anti-bribery and anti-corruption audit that can withstand regulatory scrutiny. At the conclusion of the engagement, Marcum provided the client with a comprehensive report outlining our procedures, findings, and recommendations.

Because of the success of this engagement, Marcum's team has continued to provide our client with forensic and compliance services to address other areas of its business.