



Forensic Focus on COVID-19

Conducting investigations remotely during times of uncertainty

This is the second in a Deloitte Forensic series around COVID-19 business impacts and steps you can proactively take to help respond to and recover from the outbreak and mitigate potential fraud and financial crime risks.

Companies are facing significant operational, financial, and strategic challenges as a result of the novel coronavirus (COVID-19) breakout. Lower revenues will likely result in budget modifications, with funding allocated to those parts of the business deemed critical to meet current and near-term operations.

Among the issues companies will need to address is how to handle internal investigations. While some categories of investigations can clearly be delayed, others

will require more immediate attention because they concern allegations of significant financial impropriety (e.g., large frauds), implicate the integrity of key officers or management, or are the subject of regulatory or law enforcement actions.

In addition to existing investigations and fraud risk factors, the COVID-19 outbreak may result in opportunities for fraudulent or corrupt behavior, including financial statement fraud, misappropriation of assets, and insider trading.

Adding to the complexity of the investigative process are social distancing requirements currently in place, making physical interactions challenging or impossible in the near term.

Accordingly, companies will need to consider how they can productively continue or initiate investigations in the current environment. Fortunately, technology-driven solutions are available to help perform data and information collection and analysis, as well as provide virtual connectivity for

interviews and collaboration needs. Options for the remote investigative process include:

● **Investigation planning**—Every engagement requires proper planning, but in the context of remote investigations, additional thought and consideration should be given to facilitate a smooth kickoff and execution. In addition to traditional scoping considerations, parties should think through any limitations and nuances that may arise when conducting remote investigations, including:

- What’s the best approach for conducting interviews?
- Is our online site secure enough to exchange electronic documents?
- How will we obtain images of desktops and mobile devices?
- Will county, state, and federal courts be open to retrieve corporate and individual filing information?

● **Centralized tracking**—Leveraging a centralized custodian and matter tracking system will be a key enabler for success. Investigation teams spread across the country and across continents may rely on a custodian tracking system as the single-source repository to track, report, and share information across workstreams in real time. Teams may need to supplant in-person or live interviews by sending electronic questionnaires. Interview responses can be quickly be captured and ingested into the system through automated import functionality, with aggregated responses immediately indexed and searchable without manual review. Stakeholders can leverage dashboards and other automated reporting functionality to bolster remote workflow management and performance monitoring at any given time.

● **eDiscovery collections and document review**—Data collection should run in a near normal state since enterprise collections, such as email, are typically done remotely. Custodian devices, which can be imaged remotely or physically shipped in, present a larger, yet solvable logistical challenge. After identifying relevant data sources, discovery

specialists can coordinate with IT teams to access and download enterprise or cloud data sources. With custodian devices, to the extent enterprise collection capability for PCs are in place, there should be little to no impact to collections beyond internet upload speeds. In the absence of enterprise collection capability, collections will require custodian notification, increasing the risk that information may be deleted or destroyed. In those situations, a typical approach would involve mailing an encrypted hard drive preloaded with scripts directly to custodians to connect to their devices. Devices can then be accessed and controlled remotely, or even automatically, to securely extract and collect the data. Server eDiscovery software solutions such as Relativity further allow for the digital production, review, and tagging of documents.

● **Forensic accounting analysis**—Electronic access to enterprise resource planning systems data and supporting documents are generally available for remote forensic accounting analyses. Advances in data analytics have expedited the acquisition of large amounts of accounting and financial data, and predictive capabilities have significantly shortened the time required to identify relevant transactions. Secure share sites enhance collaboration between investigative and client teams and can facilitate the transfer and review of potentially sensitive information.

● **Business intelligence searches**—Business intelligence research is predominantly conducted through online databases and telephone interviews, except where court or business filings have not been digitized.

● **Investigative interviews**—Although the use of teleconferencing or videoconferencing software has become the “new normal” within most businesses, attorneys and investigators must carefully weigh the advantages and disadvantages of conducting investigative interviews remotely. Many software programs offer document sharing and face-to-face communication capabilities, allowing

interviewers to observe interviewees’ reactions and assess credibility. Still, for certain key or essential witnesses where timing is not urgent, the ability to better control the interview’s circumstances—including environment, pace, and ease of access to potentially voluminous documents—in-person interviews may be the preferred route.

As companies continue to evaluate their business operations in the wake of the COVID-19 outbreak, consideration should be given to how best prioritize their investigations portfolio and implement the cost and process efficiencies available through remote, digital technologies.

Deloitte possesses the capabilities and reach to serve clients as they deal with the impacts of the COVID-19 outbreak. Deloitte can bring the right people, processes, and technologies to assist our clients with their most sensitive matters during these critical times.

People: Deloitte’s deeply experienced investigations teams can scale as needed, support our clients globally, and effectively utilize digital platforms to execute remotely.

Process: Deloitte has developed a repeatable, scalable, and defensible methodologies around investigative planning and execution, forensic accounting, custodian management, data preservation and collection, and enhanced data and document review (utilizing Brainspace, predictive coding, and advanced analytics).

Additionally, our experience in working within leading cloud technologies enables us to conduct investigations without physically handling devices or data.

Technology: While we leverage leading industry tools, clients can also select the solution that can most appropriately meet their needs. We can also work with clients to craft workflows and accelerators. This customized approach enables us to modify applications we have developed to expedite important accounting and discovery-related investigative tasks.

We're here to help

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