



CAUGHT!

Suspicious Invoices Trigger a Criminal Investigation Into a Multi-Million Dollar Fraud



CLIENT

Manufacturer



SERVICE

Internal Investigation



INDUSTRY

Pharmaceutical

UNPLUGGED

A FRANK OPINION
The Project Manager's
Post-Engagement Perspective

"This was a very successful case. It is one of those that I often revisit because all facets of the investigation complemented one another – from the background investigation of the subjects and reviewing a plethora of internal documents to finding incriminating emails and conducting the on-site assessments of the vendor 'companies,' which turned out to be non-existent.

The case we presented to law enforcement was very damaging to the subjects."

Client's Challenge

The chief legal counsel for a pharmaceutical manufacturer reached out to us with a multi-million-dollar problem. The accounting department strongly suspected that an employee – who had been with the company for years – along with a cluster of vendors had been sending fake invoices to the company for products that were never actually delivered. "By our count, we've lost at least \$2 million over the last three years," the legal counsel said. "There's no question that we're taking this to court. But we need to be prepared, and that means learning everything there is to know, not just about this employee, but also about the suspicious vendors we believe are in on this."

The Hillard Heintze Solution

Hillard Heintze initiated comprehensive background investigations of the subjects, including reviews of criminal and civil records, bankruptcies, and a host of corporate entities. The team conducted extensive interviews with key members of the client's legal and accounting departments, examined internal documents the client provided, and carefully inspected the employee's work emails and hard drive. The Hillard Heintze investigators also met with agents from federal and local law enforcement agencies and from the Internal Revenue Service. To investigate the outside vendors suspected of involvement in the scheme, the team discreetly visited the locations where the vendors purportedly operated.

Impact on the Client

Forgery, theft, bankruptcy and drug possession. These were just a few of the many criminal convictions and other findings uncovered by the investigations team, findings that would prove just the start. The subject had past criminal ties to the owners of the suspicious vendors, and a trove of computer files revealed that the fraudulent invoices were, in fact, produced by the subject.

The cache of compelling information about the subject and his cronies' scheme and fraudulent activity, as well as their past criminal behavior, was extremely helpful. The matter was transferred to law enforcement, and months later, resulted in multiple arrests, guilty pleas, time in jail and an order to pay restitution.

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