



Forensic Accounting Services

The unfortunate reality is that most businesses, regardless of size, will have to deal with fraud or theft at some point, whether from external, internal, or a combination of threats. KraftCPAs forensic accounting investigation experts can recommend internal controls to deter criminals and detect most fraudulent activity. Our forensic accounting team can provide litigation support in the aftermath, and assist in the recovery of lost assets.

Helping you detect and deter fraudulent activity

Fraud Statistics

According to the Association of Certified Fraud Examiners' 2020 Report to the Nations on Occupational Fraud and Abuse:

- » The median length of a fraud scheme is 14 months and causes a loss of \$8,300 per month.
- » It is estimated that companies lose approximately 5% of revenues to fraud annually.
- » The median loss to organizations with less than 100 employees is \$150,000, and these small businesses are 2x more likely to experience billing and payroll fraud than large organizations.
- » Anti-fraud controls lead to lower amounts of loss and quicker detection.
- » Frauds involving multiple people (collusion) involve much larger losses (\$350,000 median for 3+ participants) than those committed by single individuals (\$90,000 median loss).
- » A majority of victims recovered nothing, illustrating that the most cost-effective way to deal with fraud is to prevent it.

Experience

Our team has extensive experience with a variety of fraud matters, including Ponzi schemes, check kiting, and funds tracing. Our team works with financial institutions, investors, receivers, and trustees in a bankruptcy setting. We assist clients with a range of services from identifying elements of fraud to expert witness testimony.

The KraftCPAs fraud investigation team assists businesses, attorneys, insurance companies, and others by conducting detailed investigations of suspected fraud and providing advice and assistance to deter fraud. Our team members hold the following credentials:

- » Certified Public Accountants
- » Certified Fraud Examiner
- » Certified in Financial Forensics
- » Master Analyst in Financial Forensics
- » Certified Internal Auditor
- » Juris Doctorate



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Services

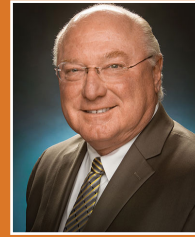
- » Financial statement fraud investigations
- » Tax, healthcare & bankruptcy fraud investigations
- » Corporate internal investigations
- » White collar crime investigations & defense
- » Internal control monitoring & assessments
- » Insurance claims reasonableness determinations
- » Royalty audit & contract compliance examinations
- » Trust & estate litigation
- » Matrimonial dissolution services
- » Whistle blower allegation investigations
- » Employee & vendor theft & embezzlement investigations

Investigative Accounting Process

- » Analyze bank, accounting, and other records to properly characterize transactions and uncover inconsistencies and patterns of activity indicative of fraud, including Ponzi and check kiting schemes
- » Identify and interview key employees associated with potentially fraudulent transactions
- » Reconstruct accounting records to identify assets, liabilities, revenues, and expenses
- » Identify the probable moment of insolvency
- » Trace assets and identify potential related parties
- » Coordinate with other experts and law enforcement for recovery of assets

Internal Control Assessments

With an internal control assessment, we can help identify weaknesses in your systems and recommend policies and procedures to help you deter fraud and help detect it if it occurs. Businesses of all types and sizes are susceptible to fraud, but small businesses are often the easiest targets.



Vic Alexander



Glenn Perdue



Litigation Support Process

- » Review available documents and provide initial assessment of case and possible areas of loss
- » Assist in discovery, including formulating questions, assessing testimony, assistance in understanding financial issues, and providing additional questions for clarification
- » Provide expert reports and testimony
- » Analyze opposing expert reports
- » Assess testimony at trial and provide questions for cross-examination
- » Assist in settlement negotiations

Common Fraud Types

- » Corruption
- » Check and payment tampering
- » Phony expense reports
- » Stolen cash
- » Billing fraud
- » Financial statement fraud
- » Kickbacks
- » Wage & payroll tax diversion
- » Skimming



“In almost every case of fraud we’ve encountered, there are specific triggers, warning signs, and areas of weakness. Prevention ends up being more affordable than recovery. Fortunately, we can help.”

Vic Alexander KraftCPAs Chief Manager