PUTTING THE WORK TOGETHER: HOW DO I ORGANIZE WHAT I HAVE?

For many fraud examiners, the hardest part of an investigation is not doing the investigation, but communicating what was found. The examiner must tell the story. No matter how good the information is, if the examiner cannot communicate it to those who can act on it, the examiner will not be successful. This session presents a simple way to pull the evidence and information into one document and then use this document to create a final report.

You will learn how to:

- Keep allegations separate and less confusing.
- Pull all the relevant information into one document, known as an allegation sheet.
- Provide documentation to support anything that is represented to be a fact.

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**Introduction**

An investigation may involve many different actions, including examining documents, interviewing, computer forensics, surveillance, and more. The manner in which you document your investigation will and should drive how everything will be pulled together. To this end, it is very important to know what the written report will look like before you start your work. Knowing the format of the final report can help drive how the work is organized. Thus, well-organized documents, interviews and other relevant information will make writing the report an easier process.

Most investigators/auditors were not also English composition majors; however, many investigative reports are short stories. The report may contain several findings, each of which is a simple story of what was discovered and who was involved. Some reports must communicate very complex issues, while others may contain one simple finding. Whether simple short stories or complex issues, the purpose of the report is to communicate the facts in such a way that others can understand. Another important part of that communication is to cause appropriate parties (prosecutors, audit committees, boards of director, etc.) to take interest and to take action.

Communicating what you have found is vital. What the world knows of your work will be what they see in the written report. You may have done one of the most professional and competent investigations known to mankind. However, if your communication skills are poor, others will see your work as questionable and unreliable. For example, if you write a report that contains many grammatical errors, the reader will question your competence. The same could be true if the report and supporting documents are put together in an unorganized manner such that they are difficult to follow. Remember
that the purpose of the report is to get the appropriate people to understand what happened and take action. That is difficult to accomplish with poorly written reports.
Where the world will touch this elephant is your report.

**Obstacles to Communication**
There are many obstacles to communication.

*Speaking Skills*
Many times the first connect with those who will use our work will be verbal communication. I am sure you have known someone who was a great investigator; however, when the time came to present the information, they babbled such that everyone in the room lost interest. Having the work—our thoughts—organized in a logical manner will make verbal presentation easier.

*Writing Skills*
In many cases, we don’t get to make a personal presentation of the work. The initial contact will be the written report. What we would like to happen is for the reader to “read” the report and take the appropriate action. We hope the report will stimulate the reader to action. That first action step may be to grab the phone, call the drafter, and say “Come here, we got to talk.” To make this happen, the report must be written in a manner that is easy to understand and grabs the reader’s attention.

*Time Use*
One of the first steps in communicating is to convince those we need to communicate with that what we have to say is worth their time. This must be done in the first few seconds of our writing. A bold lead sentence that says it all may be used to get their attention. When
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reading a newspaper, we look at the headings to see what interest us. The first sentence will tell us if we want to read more.

Volumes of Information
Deciding how to report volumes of data is very critical in communicating. The investigator must come up with simple ways to communicate large amounts of information in a way that the reader will not lose interest. We need to communicate quickly and succinctly. For example, imagine you are assigned the task of surveillance of an individual to determine when they are actually at work. To report days/weeks of what you saw in paragraph after paragraph would be difficult to write and even more difficult to read. In this instance, use a chart or graph. When trying to communicate that the company paid too much for an item or service, a graph communicates the issue quickly. A graph showing one column to be three times the size of all the others catches the reader’s attention. At this point the reader’s next question is: “What happened?” You have their attention. Charts, graphs, and pictures can communicate large amounts of information very quickly and very clearly.

Reluctance to Accept What Happened
Many investigators have found the old saying, “Shoot the messenger,” to be too real. If you perform fraud investigations long enough, you will run into instances where the fraudster is a beloved employee, like family. They may be family. Management’s initial reaction is to attack you and your information. This is when it is very important to have the facts laid out in a clear and undisputable manner. The reader is walked through the fraud in a simple step-by-step manner.
**Politics**

For those who work in a government investigative environment, there is the ever-present issue of politics. One of my first investigations involved handing a report to a district attorney and watching him turn around and pick up a list labeled “campaign donors.” Thank goodness this prosecutor was tough and did his job. However, overcoming politics can be hard work. Taking a fraud from a private company to a local prosecutor can also be challenging if the fraudster is a prominent local figure. A well-written report that is ironclad and very simple to understand goes a long way in overcoming the political issues. Public reports go a very long way in getting action. Not everyone has this option, but, when there is a headline, people seem to take action. Sunshine is a great disinfectant.

**Complex Issues**

Another obstacle to communication efforts may be the complexity of the issue. In these cases, one should break down the issue into simple parts. Think of it as running a race and jumping hurdles. One does not jump all the hurdles at once, but one at a time. If you can present one piece at a time, you have a much better chance at convincing others to act. Remember, a prosecutor’s first thought will likely be: “Can I present this to a jury and have them understand?” Also, the writer may want to summarize in the report (use totals without details) and refer the reader to schedules at the end of the report, so the reader has a choice as to how much data they need.

**Investigations May Expand**

Anyone with experience doing fraud investigations knows that many times you start with one allegation and, by the end of the second day, you have three legal sheets of issues.
The investigation may start with allegations related to one individual and, within days, there are five individuals possibly involved in fraudulent acts. Remember the example of running a race and jumping hurdles—you take on one thing at a time. Also, if the nature of the fraud allows, you may break the work into two or more projects, and issue more than one report. The first reports will refer to the fact that there is further work being performed with further information to follow. You will have to exercise professional judgment as to what is reported in the first report and just how much information you may provide without jeopardizing the further work.

Putting It Together—The Allegation Sheet
A method of putting the work together in a manner such that it is easy to follow and also makes the report writing easier is the use of an allegation sheet. An allegation sheet is just what it sounds like. This sheet will be the first page of the binder addressing one issue. (Once the report finding is written, the allegation sheet will be the second page of the report.) All the work is brought together in the allegation sheet. Following the allegation sheet will be the supporting documentation. The allegation sheet will contain one allegation followed by background information, facts/evidence, relevant laws, policies and regulations, a conclusion, and a recommendation.

It is important that there be only one allegation being addressed. One should not commingle allegations. For example:

“Manager stole cash, forced staff to work without pay, used company car for personal vacations, had affairs with three assistants, put ex-wife on payroll though she doesn’t work here, and sold proprietary information to competitor.”
## PUTTING THE WORK TOGETHER: WHAT DO I HAVE?

Each of the above issues should be put into separate binders with separate allegations sheets. The above would require six separate binders with six allegation sheets. Remember that “binders” can be actual hard copy binders or you can think of them as separate electronic files.

The parts of the allegation sheet.

- **Allegation**
  The one issue being addressed in this binder.

- **Background**
  This should include background on the issue and/or the people involved.

- **Facts**
  This is your evidence – what you found. Everything in this section must be referenced to supporting documentation/interviews.

- **Policies, Regulations, and Laws**
  This is the “so what?” section of the allegation sheet. It will contain the company policies violated, criminal/civil statutes that may have been violated, and any related regulations that may apply.

- **Conclusion**
  The investigator’s conclusion. The conclusion may be that company policy was not followed. It may be that actions indicate possible violations of criminal and/or civil statute. (Remember, a CFE may not conclude guilt. That is a decision for a court of law.)

- **Recommendation**
  This is your recommendation to management, board members, law enforcement, prosecutors, etc.
The allegation sheet can then be used to write the report finding. You may copy the allegation sheet to a separate document, add some smoothing sentences, and you have the report finding written. In addition, it is already cross-referenced to the supporting documentation.

**Charts, Graphs, and Pictures**
Don’t forget that charts, graphs, and pictures communicate the issues clearly and quickly. A well-done chart or graph allows the reader to understand the issue in seconds. However, remember that trying to put too much information into one chart can be confusing. We’ve all seen charts that looked like a cross between a video game and a plate of spaghetti.

In addition to charts and graphs, pictures are very helpful. When referring to a particular building, piece of equipment, shoddy repair work, etc., nothing works better than including a picture of the item to which you are referring.