

## What is Forensic?

*KPMG Forensic in Central and Eastern Europe (CEE) provides services in the following areas:*

### **Fraud and Financial Investigations:**

- KPMG Forensic has substantial worldwide experience conducting fraud investigations that range from simple employee theft to large-scale, multi-jurisdictional frauds. We are able to draw on a multidisciplinary team with diverse professional experience ranging from accounting to law enforcement. Our services help clients react rapidly to emerging issues, establish the facts and take control of a situation.
- Our services also include fraud risk management services, such as fraud risk workshops, fraud risk assessments, systems enhancements designed to reduce fraud risk and fraud response plans and policies.

### **Expert Witness and Litigation Support**

- KPMG Forensic provides expert witness services in litigation and arbitration on technical accounting matters, damage quantification and business valuations. Our reports are clear and focused and address issues in a way that a judge or other reader can understand. This helps clients improve the chances of settling a dispute at an early stage by providing independent and impartial advice. We also provide credible oral evidence based on experience of appearing in the witness box in different jurisdictions.

### **Regulatory services**

- KPMG Forensic has extensive experience in all types of regulatory and competition investigations. We can provide anti-money laundering reviews to determine compliance with legislation, highlight risks and also perform money-laundering investigations. In CEE where new legislation is regularly being refined, this can help to minimise the risks of censure by parent companies, investors, and local and international regulators.

### **Corporate intelligence services**

- KPMG's Corporate Intelligence team gathers and assimilates valuable information both locally within the CEE and from around the world to help our clients make better decisions on issues such as acceptance of customers or business partners in unfamiliar markets, fraud investigations and civil or criminal litigation.



## Recent forensic assignments in Central and Eastern Europe

### **Fraud investigation - Czech Republic**

We were asked by the parent company of a Czech subsidiary to investigate a series of frauds perpetrated by the managing director of the subsidiary. He was related to the bookkeeper who had passed a number of suspicious accounting entries to cover the frauds. We collected evidence for a criminal prosecution by the company and the matter has since been passed to the local police.

### **International arbitration - Poland**

A foreign investor entered into a joint venture with a Polish government agency. Following a breach of contract, the investor claimed damages in an international arbitration. Our work, for the investor, involved calculating the losses suffered through a failure to modernise the plant, including lost sales and financing costs. We provided expert evidence orally at the ICC arbitration hearing in Vienna. The tribunal awarded our client the maximum damages allowed under the joint venture contract.

### **Regulatory investigation - Hungary**

The Hungarian Financial Supervisory Authority had a concern that a "concert party" operation was in place holding shares in a major Hungarian company. We assisted the regulator in understanding share transfers between a number of the parties and this led to the regulator's direct intervention in the takeover process. Eventually there followed a change in Hungarian securities legislation as a direct result of this matter.

### **Corporate intelligence - Czech Republic**

A foreign company was seeking to acquire a Czech company. Legal due diligence revealed no matters of concern. We identified the true existing ownership of the Czech company and that it was being used to launder Eastern European black money.

## KPMG Forensic resources

KPMG Forensic is comprised of a worldwide network of over 1,000 partners and staff dedicated to forensic work. Our staff includes accountants, IT professionals and former law enforcement investigators. At a local level, we are able to draw upon the know how and methods of KPMG's other business lines such as taxation, insolvency and audit during the course of an engagement. In the CEE region, our team is led by Charlie Patrick, a UK chartered accountant who has more than nine years' experience in forensic work. He has run investigations throughout CEE and appeared both as an expert witness and a witness of fact. The central Forensic team is complemented by local professionals with a thorough understanding of the local regulatory and business environments.

For more information:

### **KPMG's Forensic Practice**

#### **KPMG in Central and Eastern Europe**

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