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Building a Data Sleuth Team

AT THE INTERSECTION OF the forensic accounting, fraud investigation, and data analysis engagements is the Data Sleuth Process. Born out of necessity from my solo practitioner struggles, the practicality of the Data Sleuth Process is useful for solo practitioners – especially those new to the profession. But the true power of the Data Sleuth Process is realized in a team-centric environment. Most of the skills expected of a solo forensic accountant are those that improve with experience, but in the context of a team, the expectations can be distributed across all of the members instead of relying on one person to be a jack-of-all-trades. Each investigation engagement presents its own unique challenges, and it may feel as though only someone with years of experience can provide a solution; however, with a reliable, duplicative process, a team-centered model can be developed and provide a better work product than had the professional performed the engagement alone.

In the early days of building my practice, I intentionally ignored all of the business professionals who relentlessly talked about scalability being the ultimate business leader's dream with time for vacation and rest. I would think, *You preach this method because you sell products or have recurring client engagements and have never worked an investigation.* I was convinced that the only duplication that had a chance of happening in my business was by finding someone who I trained to be like me. I tried and failed many times, which only reinforced my cynicism about the scalable dream. The responsibilities and requirements of being a forensic accountant or fraud investigator who provides expert testimony require significant career and life investment.

Forensic accounting career opportunities sounded intriguing to team members until they realized the accompanying pressure. They watched as I developed business, while managing client expectations and deadlines, reviewed analyses with extreme scrutiny to reduce the risk of errors being discovered during testimony, and continued study of accounting and legal knowledge. Many team members were happy to play a part in the investigations, but no one wanted to become the forensic accounting expert.

My caseload as a solo practitioner grew so much that I could not physically work each investigation with the level of care needed in the available waking hours of a week. I began hiring team members, but I struggled to find a way to equip team members with the knowledge they needed to make independent decisions to reduce my work. Frustrated with the long hours and my suffering health, I began working with a business coach. During one of the sessions, he asked me, “Leah, if you were at home sick, and I offered to work for you for free, what would you tell me to do? Where would I start?” I stared blankly at him. His response to my seemingly never-ending silence was, “You look like a deer in headlights,” and he repeated his previous questions. I finally responded with great frustration in my eyes, “I would tell you to go home, and I’ll finish it when I feel better.” He continued to increase the pressure and questions because he refused to accept that answer, and eventually, he said, “Fraud schemes and the ways in which people steal money are not infinite. Tell me the first answer that comes to mind when I ask, ‘What do you do?’” I blurted, “I find money for people.” We both stopped and realized the clarity of that statement. I find money for people. This mental breakthrough planted the seeds for the Data Sleuth Process to grow where it is now shared with investigation professionals around the world.

THE FIRST TEAM

When my childhood dream of becoming an agent with the Federal Bureau of Investigation seemed to vanish, and public accounting was no longer a means to returning to the FBI, I felt lost. Although I did not realize it at the time, the skills I learned and experience I gained in those first few years of my career were the foundations to opening my own forensic accounting and fraud investigation business in 2010.

One of the factors playing into my decision to leave public accounting was the volume of forensic accounting work I was personally responsible for, including data processing, analysis, and review. Management encouraged the forensic accounting work, but there was no focused development plan for a

more robust forensic accounting division. When there was a case requiring full-time hours for months, or a rapidly approaching deadline, I would receive approval to borrow various personnel from the tax department but equipping my ever-changing team to overcome the steep learning curve for them to meaningfully contribute, while also serving as the case manager and lead investigator, was nearly impossible. Regardless of how intelligent or willing the borrowed talent was, with a deadline quickly approaching, it was often easier to work the case alone.

When I decided to open Workman Forensics, I told my manager at the time, “I think I will just take some small cases – maybe even just divorce work – and work from my dining room table for a while. Then I will decide what to do with my life.” I assumed I would work alone on cases like I had been in public accounting, but this time, I would have more control over the types and sizes of the investigations. After three months of marketing and meeting litigation attorneys, I was hired by an attorney for a case with a hearing date rapidly approaching. I knew that preparing what was needed to provide expert testimony before the deadline was impossible without help. The amount of time needed to process data in a financial investigation usually correlates to the amount of revenue generated by an organization, and this case was no exception. For each month of bank statements, 20 to 30 double-sided pages had to be scanned and subsequently entered into a spreadsheet. Additionally, if an investigation requires the manual data entry of check payees and memo lines from check images, the data processing could take weeks – especially as a solo practitioner. The client was needing a two-week turnaround on the project, and I knew there were not enough hours for me to singlehandedly process, analyze, and prepare to testify without a team.

Fortunately, during that same week, an unprecedented snowstorm created an opportunity for roommates and friends at my house to enter bank statement data into spreadsheets working around my dining room table. Although I had not had success at the previous firm explaining the analysis needed for financial investigations, I was confident that I could explain to my friends the steps required for the repetitive data entry of bank statements. My friends were the key to success in meeting the deadline as they worked with me to find a process for processing the data. When all of the data had been compiled into spreadsheets, I worked to calculate the loss and finished the analysis. While I worked around the clock to prepare for the hearing testimony, my phone kept ringing with inquiries from potential clients.

My solo journey lasted six months when I realized it was not going to stay that way. Not knowing how one decides to create a team, I decided to hire someone who could relieve my workload by processing data. I felt confident that

I could at least use the process my friends and I created to teach an employee until I discovered my next step. The data processing step being performed by a team member was extremely helpful, but I still had more hours of casework than I wanted to work in a week. That is when I began looking to hire another professional who could be responsible for financial investigations like me. No matter how hard I tried, I could not find someone who remained long term because of the incredible expectations and pressures of a forensic accountant or fraud investigator.

THE FORENSIC ACCOUNTANT

Watching Ben Affleck's character in *The Accountant* at first glance seemed absolutely ridiculous as he performed a financial investigation, worked through Benford's analysis on the walls of the conference room, and faced violent opponents until I stopped to consider the current role and expectations of a forensic accountant. Knowing martial arts and being an impeccable marksman, or marks-woman, is not listed on most forensic accountants' curriculum vitae; however, the forensic accounting or fraud investigation career, at the testifying expert level, requires a uniquely broad and, at the same time, intricate set of skills.

The experience needed to gain proficiency in the areas essential for a forensic accountant who also testifies as an expert witness requires tremendous focus and effort. Forensic accounting, especially with technological advances, has the power to find missing money and bring clarity to financial disputes. However, the experience factor is the largest barrier to one's entry into the profession. To truly create value for a client, a forensic accountant must be able to clearly articulate findings in a report and through testimony, which opens the expert up to personal and professional scrutiny by opposing parties.

For the next section, I will be using the terms forensic accountant and investigator to refer to an investigation professional who works a financial investigation or litigation dispute engagement from start to finish as a sole practitioner with the expectation that the professional will testify to her findings.

TECHNICAL AND STRATEGIC

A forensic accountant must be technically accurate and use relevant theories and standards in engagements as these are the primary areas in which opposing counsel and the opposing expert will look to exploit to discredit the work by the

forensic accountant. A forensic accountant is expected to be extremely proficient in all areas surrounding the financial facts of the case without overstepping her expertise and experience. This could include accounting standards, audit standards, tax preparation, general business, best practices, and so forth.

For example, early in my career I testified to bank statement evidence showing that an executive had paid his personal credit cards using checks funded by the company. As part of my testimony, I stated that the executive had signed the checks. On cross-examination, the defendant's attorney suggested that I should have examined tax returns instead of bank statements. Knowing that bank statements are best evidence and most reliable when compared to tax returns in this situation, I was able to testify appropriately. The defendant's attorney also argued that I could not testify to his client having signed the checks as I was not a handwriting expert. In my response, I was able to then clarify that the name signed on the signature line of the checks was that of the executive.

While being technically proficient, a forensic accountant creates the greatest value when she can partner with legal counsel to understand the attorney's strategy for a case and advise as to what analyses may or may not be performed to support the theory. This part of the work has gotten easier with experience. In the beginning of my career, I did not know how to separate and simplify the details to address the bigger picture objective of the attorney. With experience, however, I now better understand how an expert can be valuable by absorbing the facts and advising counsel of the pertinent investigation findings. Sometimes, the greatest help to an attorney is advising of the evidence that is contrary to his theory for the case and then work to explain evidence from which the attorney can derive another theory. The navigation between technical proficiency and strategy is challenging both during an investigation and in testifying.

THOROUGH AND EFFICIENT

Other areas in which the balance of two responsibilities of a forensic accounting increases with experience are thoroughness and efficiency. Forensic accounting, over the course of my career, has experienced tremendous improvement in efficiency through technological advancements; however, the inherent complexity of the profession remains. The forensic accountant lives in the tension between being both thorough and efficient. The pressure to be both thorough and efficient exists in not only the relationship with the end-client but also with deadlines often out of the forensic accountant's control.

After being in business for six years, I worked a case involving an embezzlement with a total loss exceeding \$3 million. At this point, I was working as a solo practitioner and knew from listening to the client's concerns and attorney's strategy the most efficient, yet thorough, way to investigate the case within the client's budget and the attorney's deadlines. I worked the entire case and prepared a report in 40 hours, over approximately two weeks, for which both a civil lawsuit and federal criminal charges were filed. The ability to manage such a thorough and efficient investigation was a result of years of experience and dedication to the profession.

DETAIL-ORIENTED AND EFFECTIVE COMMUNICATION

The stereotypical accountant is personified as someone who is detail oriented, often working tirelessly to ensure that every penny is reconciled. However, the stress of understanding all of the details resulting in effective communication is tricky. The attention to detail that a forensic accountant delivers involves the very details that have been key in assisting clients and their attorneys settle financial disputes. However, navigating through details to find the gem that resolves arguments and then communicating the significance of the findings effectively and clearly is learned through practice.

When testifying as an expert in a criminal defense matter, there were over 20,000 pages of documents provided by the prosecutor. I personally reviewed all of the documents, as I was a sole practitioner, and discovered an email that clearly supported my client's position. My client claimed that he had no knowledge of one of the transactions for which he had been charged. I wanted to include the email in my trial testimony, but when I tried to explain its significance to my client's counsel, she challenged me to simplify my explanation even further as I would be testifying in front of a jury. With her challenge on this one finding, I reworked my entire testimony outline to communicate a story. Communicating in this way contributed to the legal strategy of the attorney, and my client was found not guilty of all but one count.

In this criminal jury trial case, the defense attorney's strength was communicating stories juries could understand. She was gifted at creating demonstrative open and closing arguments that incorporated illustrations the jury understood and remembered. She wanted me as the expert witness to do the same. A few years later, I was asked to investigate and testify for the defense in a bench trial. My task, after performing the investigation, was to explain my findings related to how the husband's assets were separate from that of his wife. His wife had pled guilty to embezzlement, and the business owner was trying to recover from the

loss through the husband's separate assets. Remembering the criminal jury trial, I asked our graphic designer to prepare an illustration of the timing and use of funds between spouses. The attorney I was working with did not normally use illustrations in expert testimony, which led to an awkward testimony. Although I believed the illustration helped clarify the use of funds, the resulting awkward testimony did not accomplish the effective communication I had hoped for with the judge.

From these experiences, even when all the details seem important, I have learned to ask more questions of the attorneys and work with them to strategize about the best way to use the most valuable detailed findings.

ACCOUNTING KNOWLEDGE AND LEGAL KNOWLEDGE

Possessing a broad range of accounting knowledge and basic legal process knowledge is vital for a forensic accountant. A testifying expert in the area of forensic accounting will likely encounter engagements that require an understanding of financial accounting and reporting, tax returns, tax strategy, and audit. At the same time, it is helpful to an attorney if the testifying expert has some knowledge of the legal processes to integrate the expert more efficiently into an existing case. Experience, once again, is truly the best teacher in this area. It can be frustrating to professionals because acquiring the knowledge requires someone hiring them to allow opportunities to learn.

The way that I gained knowledge early on was by asking questions of attorneys. Whether an attorney had hired me to help with a case or not, I tried to meet with anyone who would accept an invitation and to ask them as many questions as possible. Before meeting with an attorney about a case or over lunch introduction, I mentally prepared questions to inquire about their preferred methods in approaching cases and about their best and worst expert witness experiences. The feedback was not consistent, as the attorneys seemed to all have varying experiences, but it was helpful in developing a method for me to become a trusted expert and effective expert witness.

One example of the helpful skills I learned through this inquiry method included understanding the difference between testifying in a bench trial versus a jury trial. In a bench trial, attorneys encouraged me to testify with the judge in mind even though the attorneys were asking the questions in front of me. With this in mind, I began sitting in the witness stand to answer questions slightly turned toward the judge to encourage any clarifying questions the judge might want to ask of me. Additionally, if I do not understand a step in the legal process on a particular case, I ask the client's attorney to explain its purpose so that I can know for future reference.

MEETING DEADLINES AND DEVELOPING BUSINESS

A client often realizes that they need a forensic accountant in response to some type of crisis. Although the fraud scheme, hidden assets, or improprieties occurred over a long period of time, a client wants to know what happened, the resulting loss, and his next steps as soon as possible. The emotional response of a client creates urgency, which results in deadlines for the forensic accountant. Also, it is not uncommon that attorneys will wait until the end of the discovery phase in a lawsuit to engage the forensic accountant. To better understand the reason attorneys will wait to hire an expert, I have tried to identify a pattern; however, I have not identified the root cause in cases other than class action lawsuits. In class action lawsuits, a law firm is typically paying all investigation expenses before collecting, and collection on a case is not guaranteed. It appears the delay in hiring an expert is for the attorney to make sure the expert is truly needed before incurring the expense. Whatever the cause, when an attorney delays the hiring of a forensic accountant, some cases are already scheduled for hearings, trials, or other court deadlines that the forensic accountant cannot change. When this happens, the forensic accountant must perform the analysis, review, and be ready to testify by the imposed deadline.

When working on cases with tight deadlines, maintaining consistent marketing and business development is challenging. Business development is especially challenging when deadlines require that weeks, or months, will be spent on one project consuming all the available work hours in a week. When facing the choice between working billable hours and business development, the forensic accountant is most likely to prioritize meeting the deadlines with a work product that solves problems. Although word will spread about the dependability of a reliable expert, through the demonstration of meeting deadlines, the pressure to sustain business development to secure future work exists.

FORENSIC ACCOUNTANT PROBLEMS

As mentioned in the opening of this chapter, I determined that finding others like myself who were willing to take on the level of responsibility and investment necessary to become a forensic accountant – who also testified as an expert – was not common. When observing the problems I faced as a sole practitioner, or the professional involved in every level of the details, I understood why few would want to take on this role. These problems included:

- **The Scalability Problem.** The inability to enable others to provide meaningful assistance throughout the life of a project in an efficient manner where profit is realized for the firm's owner.

- **The Strategy Problem.** The difficulty in balancing a strategy perspective while focused on all the details in an investigation.
- **The Review Problem.** The insecurity to ensuring a high-quality work product able to be used under the greatest scrutiny.
- **The Sustainability Problem.** The stress of managing highly detailed work that may result in personal credibility and character being attacked, which is not sustainable for all professionals in the long run.

THE SCALABILITY PROBLEM

During my third year of business, entrepreneurship was at the height of trendiness, and an aspiring entrepreneur was especially popular if she could create a scalable business idea and obtain venture capital. To own a scalable business would allow the entrepreneur to earn a lot of money on only few hours of work per week, affording the owner the opportunity to take vacations and to live the life she wanted. Not-for-profit initiatives supporting entrepreneurs were promoted throughout the city. It seemed as if every lunch I attended with other business owners would involve constant conversation around how they were going to grow through scaling in the next few years.

One day, I was invited to share about my business at one of the not-for-profit venture capital events. I thought I had made it clear that I was not looking for investors. The leaders understood, but they needed to fill the second presentation slot, so I agreed to do so. Carefully crafting a six-minute presentation communicating the highlights of my forensic accounting business and the value I looked to create for clients, I ended my presentation and opened the floor for questions. A man sitting in the front row asked, “So what about your business is scalable?” I responded, “Nothing.” He preceded to lecture me, and anyone else in the audience listening, as to the benefits of a scalable business. I will admit that I was entirely offended.

Because it was none of his business, I did not respond, but the lack of scaling was not for lack of trying. I had tried to reduce my work hours to enjoy life, but the constant demands of the work and the struggle to duplicate my efforts had convinced me at the time that scaling a forensic accounting practice was impossible. Not to mention, that if an entire business’s success was based on the available hours of one expert technician, like a forensic accounting expert, who would want to invest in that business?

Frustrated by the man’s comments at the presentation, I continued to work as a sole proprietor; however, I constantly wondered if it was possible to create

a scalable model for forensic accounting and fraud investigations – where the clients were served well, the work product was as consistent, and the attorneys would trust a team approach. I ignored these nagging thoughts until a new client’s case involved more than I could handle alone. Cautiously and slowly, I began hiring again.

As a new business owner, I was naïve in believing that I could hire smart people to work investigations without any formal training and stay within a reasonable budget. There were a lot of factors I had never considered before, but because I had no formal forensic accounting training and could still navigate messy financial disputes, I expected the same of the people I hired. Forgetting the experiences and opportunities I had been given to learn about the intricacies of financial investigations, I unrealistically expected the talented people I hired to untangle a financial investigation without training and stay on a budget.

As much as my team and I wanted to help every person who contacted our firm, the challenge of running an investigation business in the private sector is earning the revenue necessary to stay in business. Engagement after engagement, we burned through the client’s budget without a viable solution. Even though we did not promise the client as to what the solution would entail, we had promised that we would find a solution. I felt so obligated to provide a solution, even if the project budget had been exhausted, I would find myself working all night long to finish the investigation after my team had gone home. The worst part mentally for me, and potentially detrimental to the business, was that I was unable to charge for the time.

THE STRATEGY PROBLEM

Working cases alone, as part of the public accounting firm and as a sole proprietor, presented a problem – no one was actively engaged enough in the details of the case to brainstorm high-level strategy, to foresee potential complications, or to troubleshoot analysis problems. The lack of others with similar or more experience in the detail review of my analysis greatly contributed to the ever-mounting pressure of the job itself. Inherent to investigations is the constant realization that investigation decisions could result in deposition or trial testimony with unyielding scrutiny. Any issued reports, articles, blogs, podcast interviews, or opinions could be used in court as part of a cross-examination attempt to discredit me, demonstrate a lack of objectivity, or accuse me of advocacy. The constant apprehension that I may not have all of the facts or that errors existed in the work product loomed. Nothing reinforced this uncertainty more than a memory from my time at the FBI.

A case agent held a team briefing in the conference room, which doubled as the break room, to discuss an ongoing investigation. On the whiteboard, he drew a variation of what I now know is the Rumsfeld Matrix that is replicated in Figure 1.1.¹ The case agent used this matrix to explain how he viewed the case he was working and requested ideas from the team. Pointing to each quadrant, he advised of the case facts known and unknown. Then pausing briefly and pointing at the third quadrant, he took a deep breath and said, “I do not know what I do not know.”

Anxiety about not knowing what I do not know can be paralyzing, but complete disregard for the quadrant is reckless. Early in my career, I was overly sensitive to the third quadrant of the matrix and was concerned that anything I had ever spoken or written could be taken out of context by an opposing counsel and used against me to a client’s detriment. This worry caused me to be slow to offer expert opinions unless it could be proven from multiple perspectives and a lot of supporting data. However, a healthy respect of quadrant three can give an expert an edge. When an investigator incorporates humility into her work, and exercises professional skepticism, it yields a result that is founded on facts rather than the answer a paying client, a pressuring boss, or an influential politician desire. I accept that even though the profession may refer to me as an expert, I do not know

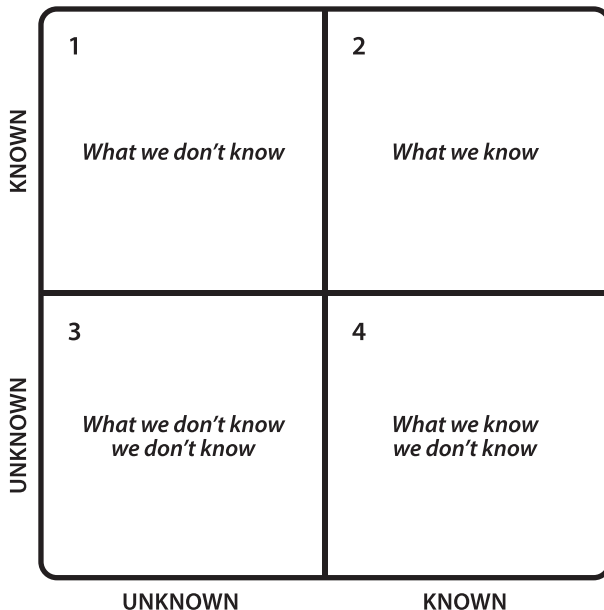


FIGURE 1.1 What we know and don't know matrix.

everything. It is the acceptance and acknowledgment of the third quadrant that keeps me sharp, focused, and continuously improving.

It is also the third quadrant that, I believe, necessitates the involvement of a team in an investigation. I am not suggesting that every expert needs a team composed of employees, and therefore, must run an entire practice or firm. A team can simply be a group of people working together to accomplish a similar goal. For investigations, a team is a group of people – who are not necessarily like-minded – but are committed to uncovering the truth of what happened. The rallying of this group empowers the lead investigator, or testifying expert, to present the evidence in a clear manner. The unity of a team like this contributes to reducing the risk of the unknown in quadrant three. A team of professionals with different backgrounds and perspectives reduces the risk of “not knowing what is unknown” but also helps the lead investigator step away from the details to remind her of the bigger picture.

The year when I was a sole practitioner is one of my least favorite years in this profession. The fear that I overlooked some key piece of evidence or that my analysis results did not reconcile to supporting documents kept me awake at night. Thankfully, relationships with experienced Certified Public Accountants, attorneys, and other investigators provided guidance, mentorship, and perspective in the year I needed them most. Aware that I cannot know everything there is to know, the implementation of a team – formalized as an employee staff or not – is vital to the success of investigations.

THE REVIEW PROBLEM

Another problem when working as a sole practitioner is in detail review. Either one must design a self-checking system or one must have time to leave the analysis and report for a few days and then return with fresh eyes. Either way is not ideal and still involves the risk of error or misinterpretation. One of my earliest forensic accounting cases in public accounting involved tracing millions of dollars through numerous bank accounts for at least five years. The analysts on the project included me and one other colleague. Having worked in the tax department for over a year, I knew the tax return preparation process involved detailed review, a manager review, and a partner review. Within the first few weeks as analysis on various accounts was completed, I realized that no review process had been established. As the analysis continued without a review process, I took the responsibility with my limited knowledge to detail review my own work and encouraged my colleague to do the same.

Within a few months, the results of the analysis were presented in trial. There were several testifying experts, but I was not one on this case. However, through some maneuvering of the opposing counsel, the other side was able to call my colleague and me to the stand. Although we were called as the other side's witnesses, opposing counsel requested that we be treated as hostile witnesses. A hostile witness is one who is adverse to the side who called him to testify. If the judge determines that the witness is hostile, the attorney may ask leading questions as if the witness was under cross-examination.² The attorneys in this case were granted this request, and we were ordered to answer questions that likely would not have been allowed under normal circumstances. I was so new to the field; this was my first time to testify with any form of cross-examination. All of my previous testifying experience was in front of a federal grand jury. With every question asked, I desperately hoped they would not uncover a mistake. After testifying for over two days, I breathed a long sigh of relief. Unfortunately, when my colleague took the stand to testify to her work, a large error was revealed. The judge ordered a recess, and my colleague and I worked long into the night to correct the analysis, hopeful that the corrected analysis would be admitted as the attorney for our client questioned my colleague the next morning. Thankfully, the correction was received, and ultimately, our side won the case. Sadly, my extremely talented colleague vowed to never again work on forensic accounting engagements.

Many professionals believe the niche to be exciting and intriguing – maybe because of influence from mystery novels and FBI television shows – but in the end, it is a profession of highly detailed work for which most clients want the professional to testify. If the professional testifies, the highly detailed work product is put under a microscope by the opposing counsel and at least one other highly trained expert. This expert's assignment is to find weaknesses, especially in the areas that the professional did not know that they did not know. The enormous pressure and inspection demand that all work be prepared as if they are going to trial. At a bare minimum, a rigorous review process must be established. Without a proper review process, serious professional risks arise including inaccurate work being discovered in a deposition or trial.

THE SUSTAINABILITY PROBLEM

The enormous pressure, scrutiny, and risk in this field takes its toll on a professional. I experienced severe burnout in the fourth year and eighth year of business. As a result, any criticism, whether from clients, employees, or opposing counsel

when testifying, felt too personal. I could no longer compartmentalize negativity as just part of the job. Dealing with clients who would refuse to pay our fees because they did not like the results of the investigation, or because they simply did not want to, began to make me question this profession entirely. Feelings of resentment grew as I wrote paychecks to employees whose work I stayed up all night adjusting to incorporate into a report due the next day. Not to mention the cash flow nightmare I faced in this project-based industry with no recurring clients like in public accounting with tax and audit engagements. When the stress reached an all-time high and began to negatively affect my health and some of my closest relationships, I knew I could not continue in this way. I either had to find a solution or find another career.



DATA SLEUTH SOLUTIONS

The creation and implementation of the Data Sleuth Process over the last five years has provided our team with solutions to reduce burnout, risks, and problems that I faced as the sole professional responsible for investigations. The experiment to create what is now the Data Sleuth Process began with the question, “If I can build a team of people who have experience and proficiency in at least some of the areas required in a financial investigation, can we then make forensic accounting accessible to more professionals and in turn to more clients?” The current status of the Data Sleuth Process development has solved the scalability problem, the strategy problem, the review problem, and the sustainability problem inherent in many forensic accounting practices.



THE SCALABILITY SOLUTION

Beginning to hire a team again brought many challenges, but with the dream of a healthy life, I implemented two practices into my business: I involved employees in creating solutions, and I met frequently with a business coach. In the beginning, incorporation of data analysis software to analyze data sources brought some relief by assigning individual analyses. However, when it was time for me to connect the dots and final review to provide a final report, things seemed to fall apart. In these final steps of the investigation, I would discover that some of the individual analyses did not answer the actual questions of the client. It seemed that additional work was always needed to provide a valuable work product, but we would have only a couple of days remaining before the deadline. The primary cause of this consistent issue was identified as a process

problem; we did not have a way for the team to work together to connect the client concerns to the analyses assigned. Because team members did not know why they were performing an analysis, they could not advise as to whether the analysis addressed the client's questions. It was not until I would try to connect the analysis to the client's concerns at the end of the project that the inapplicability of the analysis was discovered.

The members of my team were sharp and were willing to contribute more to the investigation, but I was unable to train them in these important investigation steps. I was frustrated because I was making decisions that I thought were obvious, but my team advised that the decisions seemed logical to me because I had the benefit of experience they did not. We needed to find a way to translate the experience-based process in my head into a process the team could follow.

Before the breakthrough with my business coach, I believed that the number of ways people committed fraud or hid money was infinite. When I was able to understand that there were only a finite number of ways, tackling the process and experience issues to create a process did not seem insurmountable. For the first time in years, I had hope. If there truly were only a finite number of ways people steal money, then I could identify them and advise the team about where to look, making adjustments along the way to allow for the unpredictable parts of investigations. The process of working investigations as a team infinitely improved with this simple breakthrough. We were able to identify that:

- The most common types of investigations we enjoyed working involved embezzlement (corporate fraud), partnership disputes, estate/trusts, and divorce.
- The areas in which most people stole or hid money in these preferred investigations involved analyzing the ways in which money came into an organization, marital estate, or trust and the ways in which money left the same.
- The most common types of data used in the preferred investigations involved bank statements, credit card statements, payroll reports, and accounting records.

We started to build an investigative process focused on our preferred types of investigations that supported our collective strengths. By identifying all of the similarities within the investigations we preferred, we created a standard case planning process that could be replicated. The case planning process allowed communication of the client's concerns so that when analyses were complete, the responsible team member could ask herself, "Does this analysis provide the answer to this client's concern?" If the answer was no, the team

member could then get the team together to formulate a new approach. We also recognized that the inputs and data sources might change from case to case, but the strategic planning would allow for adjustments to be made to customize the analysis.

The involvement of the team in the creation and improvement of the process over the years has created incredible buy-in that has not only resulted in a process that serves clients better than when I worked alone, but it has also solved the training problem. When the team is focused in making their areas of contribution to the investigation better, they have a better understanding of the purpose and intention for the decisions being made, which empowers them to make higher-level decisions along the way. The forensic accountant's scalability problem now has a viable solution allowing the incorporation of new team members into a structured process resulting in a consistent, reliable work product.

THE STRATEGY SOLUTION

I learned early on the importance of understanding clients' concerns and an attorney's needs in order to propose strategies to accomplish both. However, the communication of the concerns, expectations, and strategy to my team was difficult, and I often wanted to slip back into the mindset that doing the work on my own was simpler. Knowing this was not going to hold true in the long run, I listened to podcasts and read books about communicating with and growing a team. We incorporated all kinds of personality tests and work style trainings into our team development, but the greatest change came when I decided to no longer personally associate with the analyst role.

We were working on a publicized and controversial investigation for over a year. With drama building as the case lagged on, we hurried to finalize our findings, present the report, and close the matter. During that year, multiple team members had worked on the case, but most of the analysis tasks had been assigned to me at the end. Although I tried to assign pieces to various team members, I was too busy with other parts of the investigation to clearly communicate the purpose of the specific tasks within each analysis. The stress of poor communication on my part and the rapidly approaching deadline resulted in frustration felt by the analysts and me. The analysts worked diligently to find solutions, but they did not know where to begin. Because I was in the middle of the analysis details, managing the client calls, and trying to find a way to piece together a very disjointed case, I was constantly worrying about public backlash if we messed up. With all of this happening at the same time, I was unable to lead from a strategic

point of view. Hoping adrenaline would keep me moving, we met the deadline. I presented the findings amid a controversial meeting. Driving from the meeting, I said out loud to myself, “I am no longer an analyst. I have a team, and I need to be the strategist.”

I had realized that the weakest area in our developing, yet lacking, process was in planning, but after I removed myself from the analyst role, I had an idea. The next week, a new client hired us for a case, and I gathered the team together for our new case planning process. Before the planning session, I created a list of the client’s concerns and my proposed strategies. Then I translated those strategies into what we now call investigation priorities, explained further in Chapter 6. I began the meeting by explaining the case story gathered from my initial client meeting. Then, taking the list of investigation priorities, such as, “Quantify overpayments of payroll to subject,” I gave each team member an opportunity to ask questions about the case and to describe an analysis they thought would be appropriate. For each analysis, types of data that would be required to perform the analysis and the corresponding data processing tasks were identified. We repeated this process for every investigation priority.

The most challenging part of hosting a case planning meeting like this was reminding myself to be the facilitator and remain quiet until the end. When all of the investigation priorities had been addressed, I then provided strategic edits to the plan focusing on superfluous or duplicative analyses and identifying multiple uses for the data. At the completion of the edits, each team member advised as to which analyses or data processing task they would most like to complete. The edited case plan was presented to the client for approval, and the tasks were assigned to each team member with a process for subsequent review.

By documenting a case plan and creating work paper templates and processes to reinforce the case plan, we incorporated the requirement that an analyst communicate their findings and the significance of the findings in every analysis work paper. After the analysis was reviewed, the findings were compiled into a findings summary along with any attachments (i.e. exhibits consisting of tables, graphs, or charts further explained in Chapter 11). At this point, we could connect a client’s concerns and investigation priorities to all data processing and analysis and the resulting findings. The strategy and problem-solving value that I once brought to the table as an individual expert cannot compare to the implementation of the strategy that we now provide to clients as a team. The communication of the plan for the case allowed me to do only the parts necessary and to capitalize on the individual strengths of team members resulting in a high-quality, consistent work product.

THE REVIEW SOLUTION

The review step, whether detail or final, promotes accuracy; incorporates multiple perspectives; reduces the risk of egregious, simple errors; and upholds consistency in the final work product. The Data Sleuth review solution is built into the process itself. The review step occurs after data processing and before analysis, at the completion of each analysis, after all findings have been compiled, and lastly before the final report is issued. With the team understanding the purpose of an investigation from the case planning meeting, the review step becomes simple. Whoever performs the analysis does not review the same work, and the reviewer can provide insight because she knows the client concerns and the underlying analysis purpose.

The most difficult to scale, or assign to those with less experience, in an investigation are the overall case strategy and testifying pieces. These two areas necessitate the involvement of an experienced professional. As that professional on my current team, without the Data Sleuth Process and review step, I would be tempted rework every analysis to ensure its accuracy, validity, and reliability. To do so is highly inefficient. With the Data Sleuth Process and the imbedded review steps contributing to the quality control of the work product, I can rely on my team and trust the process to find the big oversights. Errors are still a risk, as the process is composed of talented people, but people, nonetheless. However, trusting the input of a team of people is still more reliable than working the entire investigation alone. At this point, I am not sure I could ever go back to working solo because the work we produce now, the money we find for clients, and the clarity we add to situations are truly better than I could have ever created on my own.

THE SUSTAINABILITY SOLUTION

Fortunately, closing shop in those most challenging years was not an option because we had clients to serve and investigations to work. These struggles forced me to plow ahead continuing to believe that a solution existed for my investigation business struggles that also promoted the vision of making forensic accounting accessible to more people. The creative development of the Data Sleuth Process gave me energy to move on in the most difficult years. When I would feel as if creating the process would never work, my team's constant focus on continuous improvement would give me the energy to continue. Workman Forensics does

not need a team of people where everyone thinks they know everything. We just need a team of people who bring their unique expertise to serve clients well and to trust the process to do what we cannot do on our own. And this is why, I believe, the Data Sleuth Process creates the sustainability solution for the forensic accounting and fraud investigation professionals.



NOTES

1. Donald H. Rumsfeld, *Department of Defense News Briefing* (February 12, 2002).
2. Gerald Hill and Kathleen Hill, "Hostile Witness," Publisher Fine Communications, accessed October 24, 2021, <https://dictionary.law.com/Default.aspx?selected=884>.

