KPMG

Forensic data analytics class action lawsuits

Data is increasingly critical when it comes to providing legal services. In the right hands, it is a powerful tool that lawyers can use to gain a competitive advantage in court.

Simply having a lot of data is insufficient. The key is being able to take that data and turn it into insight that can be used in court.

Harnessing the power of forensic data analytics

Forensic Data Analytics (FDA) is the collection, integration, analysis, and presentation of data using advanced technology and statistical techniques.

In the context of a class action lawsuit, FDA can be used to support a case in a multitude of ways, from rules based analytics to advanced data mining using unstructured data. FDA also includes visualizing large volumes of data such that complex analyses can be interpreted by a judge.

Case study

A client recently approached KPMG's Forensic practice asking for help in analyzing the reasonability of one of its penalty fees in the context of a class action lawsuit launched against them.

Plaintiffs (Members of the group) argument

The members of the group argued, among other things, that the penalty fees were disproportionate with regard to the benefits that they had received from the defendant.

Our unique approach

– Our FDA professionals held multiple meetings with the client and their IT personnel in order to extract the right data from the client systems. We then encrypted and securely transferred the large volumes of client data to our private server.

– With the data in hand, our FDA team performed detailed completeness and integrity checks. We knew that a single mistake could be challenged and undermine any analysis that we performed, so we needed to be sure that we had the "Single Version of the Truth".

– Once the data was deemed to be complete, we executed ETL techniques (Extract, Transform, Load) in order to normalize the data into a coherent and structured data set.
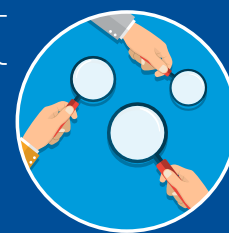
- Using rules-based analytics, we then recalculated the amortized benefit for every single customer based on 100% of the data. This meant that there was no need to extrapolate a result over an entire population or worry that our sample was not representative. The final result considered the critical data points of EVERY single customer.

- We then used visualization techniques in order to demonstrate our findings to the judge in a clear and understandable way - that on the whole, the penalty fees were in fact reasonable.

Our team

- Our team has extensive knowledge and experience in extracting, processing and analyzing electronic data, enabling them to work with various systems.

- Our flexible and inexpensive approach allows us to act quickly while reviewing All transactions.

What did the court say about KPMG's FDA approach?

"The expert was independent. This is shown by the very detailed method they utilized to retrieve historical source data."

"No stone was left unturned. The amount of data used by the expert is the equivalent of 5,000,000 printed pages, which shows the exhaustively of the work performed".

In the context of a class action, it is important to use FDA to get an accurate picture of the alleged damage. Our Forensic team has extensive experience in a wide variety of industries including Telecommunications, Financial Institutions, Retail and Public sector. We will help you leverage data to gain insight and a competitive advantage in court.

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