



# Be prepared & react

Anti-fraud & corruption compliance services

# Introduction



Higher number of Anti-Bribery and Corruption (ABC) regulations, or governments tightening existing laws



Regulatory agencies with expanded budgets, advanced tools and more personnel



Significant fines, sanctions or individuals being criminally prosecuted when found in violation of ABC laws



In case of transaction, buyers being held criminally liable for past corruption cases of companies recently absorbed



Strong compliance programs to prevent reputational harm and maintain public, business partners and investors' trust

In an ever more regulated and transparent world, investing in compliance is not an option. Companies must demonstrate that they have processes in place to identify and prevent fraud and corruption risks. Regulators expect companies to proactively update their compliance framework, even if no issues arise. Public opinion looks unfavorably on companies whose poor compliance track record is exposed in the media.



**Over the last 20 years, KPMG France's Forensic team has developed a highly specialized expertise in helping organizations prevent, detect, and respond to fraud and bribery concerns.**

Our extensive credentials in this area range from proactive compliance-oriented services to event-driven matters such as regulatory assis-

tance, investigations or ABC due diligence in the context of M&A.

Our large experience in cross border investigations has provided us with deep knowledge of ABC laws and regulations and has allowed us to become familiar with local customs and business practices.

## 4 main areas of expertise

01

Regulatory assistance

02

ABC due diligences

03

Compliance program assessment

04

Investigations

# 01 Regulatory assistance

- Your organization has been notified of a control by a regulatory authority (AFA, DOJ, SEC, etc.)
- Your company has entered into a settlement with regulators (DPA, CJIP, etc.) leading to a monitorship that requires a periodic testing and reporting on ABC controls
- Your organization wants to be prepared in case of control from the authorities

## OUR EXPERTS CAN ASSIST YOU IN

- Preparing and/or reviewing your answers to the request for information addressed by the regulatory authority
- Preparing the documentation to be provided to the authority using, when appropriate, our Evidence and Discovery Management (EDM) tool
- Performing working sessions with employees and Top Management regarding preparation and good practices during controls or monitorships
- Preparing and/or performing tests of effectiveness (authorities / monitors may decide to perform or request an external third party to assess the effective implementation of the program)
- Implementing the authority's recommendations and building the corresponding action plans
- Performing regular follow-ups and assessing the implementation of the action plans



## TECH-ENABLED SUPPORT



**Billions of data are generated daily and stored worldwide, making it increasingly complex to search and identify evidence in the context of investigations or litigations.**

To face this challenge, we support our clients with the implementation of Evidence and Discovery Management procedures (EDM) : we offer our clients to preserve, collect and analyse large volumes of data with the purpose of finding evidence in a limited timeframe while being cost effective. We have implemented our own Forensic Lab in order to assist companies and their advisors in their eDiscovery process. It grants a highly secured infrastructure hosting and access to an eDiscovery platform. The data stored is only accessible by authorized KPMG personnel, subject to the legal obligation to maintain strict confidentiality.

## A FEW CREDENTIALS



- **Leading pharma group and its counsel Assistance in the context of a monitorship requested by the US DOJ and SEC authorities over a three-year period**

We have assisted our client and its US external counsel from the notification of the civil settlement with the US authority up to presentation of the results. Our work mainly consisted in assessing the effective implementation of the global ABC compliance program and related controls in 13 countries. Based on our work, the external counsel provided the SEC with a certification on the effectiveness of the compliance program.

- **French group, 40 000 employees present in 60 countries Assistance during a control from Agence Française Anticorruption (AFA)**

We have assisted the Group in :

- the strategy to be adopted regarding the level of detail and documentation to be produced to the authority ;
- preparing and reviewing its answers and documents to be produced to the regulatory authority ;
- preparing employees to interviews and performing dry run sessions ;
- the testing phase (preparation and quality review of the supporting documentation provided to the authority).



# 02 ABC due diligences

- **Your organization is considering opportunities of possible merger & acquisition, joint venture, equity investment or debt financing**
- **Your organization has globalized operations and relies more heavily on third parties to do business in foreign parts of the world**

## OUR EXPERTS CAN ASSIST YOU IN

- Performing background checks on the Target / Third-Party, its shareholders, affiliates, management team and commercial partners, using our integrity due diligence tools
- Reviewing and analyzing the Target / Third-Party's compliance processes and procedures, especially on high-risk areas
- Collecting relevant information and documentation on the Target / Third-Party (corpus of policies and procedures, organization of the compliance function, tone at the top)
- Performing interviews with the Target / Third-Party's management or key individuals
- Performing transaction testing
- Developing specific, practical, measurable, and achievable recommendations to enhance the Target / Third-Party's compliance program in order to ease post-acquisition integration process



## TECH-ENABLED SUPPORT



**KPMG has developed and launched integrity due diligence tools to identify integrity and regulatory risks associated with third parties**

### IDD (Integrity Due Diligence) Spectrum :

IDD Spectrum is a proprietary search technology that indexes data in over 90 languages. KPMG has access to over 40,000 sources of information including premium content aggregators. The tool allows background checks and gathers information on specific targets (individuals/entities) in order to highlight red-flags (shareholding/ownership structure, key personnel, litigations, market reputation, regulatory non-compliance, adverse media, willful defaults, etc.) IDD reports are prepared by KPMG professionals who add value through iterative and local language research and by applying targeted search strategies depending on the subject.

### K3PID :

Working with a fintech company, we also offer an advanced name screening solution known as K3PID. Using artificial intelligence, it automatically adjudicates potential hits for first level review, resulting in a significant cost and time saving for clients.

## A FEW CREDENTIALS



- **Renewable energies client**  
**One of our clients was considering to acquire a company specialized in renewable energies**

Our work mainly consisted in performing an ABC due diligence on the Target :

- gap analysis between the Target's ABC compliance program and the standards applicable in France ;
- identification of red flags or suspicious transactions over the last five years ;
- testing of transactions relayed to the core activity of the target company or related to other generally risky areas.

- **Major listed company**  
**In-depth due diligences on strategic distributors in the context of a change of the client's distribution model in different regions**

We were requested to assess a dozen of distributors covering around 45 countries in Africa, Asia, Europe, Eurasia and Latin America. The objective of the due diligences conducted was to ensure that existing or future distributors maintained ethical business practices in line with our client's standards. Our due diligences also included assessment of the effectiveness of the distributor's compliance program.

# 03 Compliance program assessment

Events in the life of your organization (change of ownership, restructuring, change in management team, fraud or corruption case, etc.) may lead you to assess whether your compliance program is well-designed, aligned with ABC laws and guidelines, applied in good-faith and effective.

## OUR EXPERTS CAN ASSIST YOU IN

- Assessing appropriateness and sufficiency of your compliance organization
- Assessing your Senior Management's commitment to establishing an ABC culture
- Reviewing and assessing your fraud and corruption risk map
- Reviewing and assessing the key elements of your compliance program
- Testing the effectiveness of the controls that mitigate your exposure to fraud and corruption using Data Analytics and Data visualization tools
- Reviewing and assessing your compliance monitoring / reporting
- Proposing remedial actions based on highest standards and best market practices



## TECH-ENABLED SUPPORT

 The goal of D&A is to identify relevant transactions and provide statistics to steer a compliance review to the relevant data.

With traditional sampling methods, too many hits are generated. For that reason, we use dedicated data analytics and data visualization tools (such as Alterix, Tableau, Power BI) and we design routines tailored to our client risk environment to :

- proactively identify anomalies within operational processes
- determine internal control improvement opportunities
- respond more swiftly to external requests from regulators or to internal needs

## A FEW CREDENTIALS

3 years,  
20 entities

2 months,  
24 expert sessions,  
650 docs analyzed

- **Oil & Gas French Company**  
In the context of the client's restructuring, in-depth review of compliance red flags identified by external lawyers and assessment of the Group compliance program's alignment with US, UK and French ABC, AML and Export Control laws

Our work mainly consisted in targeting the appropriate perimeter (entities and controls to be tested), analyzing the design of the policies and procedures and performing transactional testing to ensure effectiveness of the controls (risk areas included corruption, money laundering, economic sanctions, and export control).

- **French group operating in the transport sector**  
Compliance diagnostic (covering both ABC and AML matters) with an assessment of the compliance guidelines and policies

Our work mainly consisted in performing expert sessions to understand the compliance procedures and programs in order to assess the level of documentation, implementation and control with regards to applicable ABC and AML laws (FCPA, UK BA, Sapin II).





# 04 Investigations

- You have received an alert through your whistleblowing line regarding potential irregularities surrounding the obtention of a new significant contract
- You have recently acquired a new business and you suspect the former management to have manipulated the financial statements of the acquired entity
- You need support for securing and collecting evidence, analyzing data and identifying indicators of misconduct activity

## OUR EXPERTS CAN ASSIST YOU IN

- Obtaining a clear view of the situation under concern: identifying the scale, cause, fraud schemes used as well as determining the responsibilities
- Collecting factual evidences that constitute strong supporting documentation to be reported / compiled in a factual report that could be produced in Court
- Deploying an immediate, tailored, pragmatic and proportionate approach, combining different forensic techniques :
  - Forensic interviews: to understand the potential irregularities and to collect information from people potentially involved / key individuals / main stakeholders
  - Corporate intelligence: through our dedicated Integrity Due Diligence tool, we conduct background, litigation and reputation checks on individuals and companies.
  - Accounting and financial analysis: in-depth accounting analysis using when appropriate data analytics tools
  - eDiscovery services: including identification, preservation, processing, hosting, review and production of electronically stored information.
- Reporting, including recommendations, on how to improve your organization's internal controls and compliance framework to avoid fraud, misconduct or bribery, going forward.

## A FEW CREDENTIALS

3 weeks investigation

- **Client : French construction Group**  
Performing a quick and efficient investigation

We have assisted our client in investigating allegations of private corruption to obtain contracts, as well as misappropriation of assets in its recently acquired entity. We have deployed an efficient and tailored methodology to gather facts and establish responsibilities, enabling our client to take immediate actions.

6 months Cross-boarder investigation

- **Client : French Life Science Group**  
Performing a cross-boarder investigation of corruption practices

We have assisted our client and its US external counsel, together with our Middle East member firm, in conducting an investigation regarding its promotional activities in Pakistan. During the investigation, we combined eDiscovery and data analytic techniques and performed interviews together with the US external counsel.

3 years, 2M documents, 67M SWIFT

- **Client : French banking institution**  
Leading a transaction and document review in the context of a sanction-related investigation by the DOJ / SEC

We have assisted our client and its US external counsel in reviewing more than 2 million documents and 67 million SWIFT messages processed by the Bank through countries under US embargoes over a ten-year period.

## TECH-ENABLED SUPPORT

\* We support our clients with the implementation of Evidence and Discovery Management procedures (EDM) aiming at identifying evidences in the context of investigations and litigations.

\* KPMG has developed and launched integrity due diligence tools to identify integrity and regulatory risks associated with third parties

\* The goal of D&A is to identify relevant transactions and provide statistics to steer a compliance review to the relevant data

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