

# EMPLOYEE FRAUD INVESTIGATION

**Vertical:** Health Insurance Provider

**Matter type:** Investigation

**H5 Offering:** Key Document Identification

## CASE STUDY

**SITUATION:** The audit division of a health insurance provider was pursuing an internal investigation involving potentially concealed employee conflicts of interest with external vendors. The allegations involved potential defrauding of the parent organization through noncompliant contract and billing practices as well as embezzlement of membership incentives for personal use and gain. With approximately 627k documents to review on an exceptionally tight timeline of two weeks, it was unclear how a comprehensive internal investigation would be completed to ensure proper due diligence.

**H5'S VALUE:** H5 experts in Key Document Identification worked with counsel to understand the specific allegations at issue as well as catalogue the various sources of data that needed to be investigated. Based on counsel's theory of the case, H5 devised eight main themes to elaborate complex searches around in order to find instances of fraud or wrongdoing related to the allegations at hand. Over the course of the short two week engagement, H5 completed 22 discrete searches with corresponding deliveries based on H5's analysis of eight priority areas that were agreed upon with counsel. Additionally, in the course of searching, H5 experts uncovered new information previously unknown to counsel detailing a picture of internal control gaps used to circumvent company policies and leading to problematic vendor contract arrangements and suspect billing practices. Separately, H5 experts uncovered details on relevant personal circumstances of targeted employees shedding light on their potential motivation for bad acts including substantial personal debt, resentment of parent company controls, and personal relationships with superiors in the management reporting structure.

In total, H5 delivered a targeted set of approximately 1,600 documents from a total of 627k documents in the review set. Each delivery was distilled down to include only the most inclusive, non-redundant versions of relevant documents in order to avoid counsel's review being bogged down by a slew of duplicative sets of documents. This dramatic reduction and pinpointing of relevant documents was enabled through the H5 team's effective subject matter acquisition of the relevant issues at play, ongoing tight communication and reporting with counsel, expert topic-based searching, exhaustive content deduplication, comprehensive metadata analysis, and emotional content detection.

**UPSHOT:** H5 provided counsel a highly targeted set of deliveries related to the internal controls, potential fraud, and the embezzlement issues under investigation. These deliveries were tailored according to the case team's evolving understanding of the matter while also inclusive of vital new information previously unknown to counsel. By the end of the two week engagement, through their review of H5 deliveries, counsel was confident they had developed a comprehensive enough understanding of the pertinent risk areas subsequently completing their investigation of potential employee fraud and wrongdoing.

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