



Fox Rothschild Podcast

The Presumption of Innocence

Episode 76: Automation With Expert Oversight: The Future of Forensic Accounting

Featuring Matt Adams of Fox Rothschild and Chris Ekimoff

Matt: Welcome back to "The Presumption of Innocence," a podcast brought to you by the White-Collar Criminal Defense and Regulatory Compliance Practice at Fox Rothschild. I'm your host, Matt Adams, and today's guest is Chris Ekimoff. He's a nationally recognized forensic accountant and investigations leader at Withum, where he works at the intersection of financial investigations, technology and risk management.

Chris advises boards executives, audit committees and legal counsel on complex matters involving fraud, financial misconduct, regulatory exposure and corporate integrity failures. In other words, he is at the heart of what we talk about on this program and what white-collar lawyers do on a daily basis. His work spans internal and independent investigations, whistleblower matters, financial statement irregularities and complex breakdowns across industries, including financial services, health care, manufacturing, and nonprofits. And a core of Chris's practice is how technology is reshaping forensic accounting. And that's what we're going to talk about today. Chris, welcome to "The Presumption of Innocence." It's great to have you.

Chris: Thank you Matt, and thank you to our marketing team for putting all of those search engine optimization words in the bio and the background. Uh, I'm sure clicks, views, and listens will be through the roof, as we've said almost every word that exists, Matt, in our practice, area.

Matt: Excellent, excellent.

So you've been at this for around two decades. We are essentially contemporaries in our respective fields. Albeit, I think the practice of law has a tendency to age one at a more rapid pace than forensic accounting world. But what are you seeing today versus what you came into the field with a couple of decades ago? In other words, how has the landscape changed, evolved, shifted, or has it at all?

Chris: I like how you talk about that rapid aging of what the legal profession can do to an individual. I contradict that a little bit though, 'cause I think the average person getting into accounting probably starts out with an older average age, and then we just kind of move at a real slow pace. So maybe that's a dividing line for us.



So, you know, I started in the mid-2000s, really in the wake of a variety of different things that have shaped the world of financial fraud, the world of investigation, and I'd say even the practice of law. Mainly those large accounting scandals of the 2000-era, of the Enron, the WorldCom.

Matt: The Enron era.

Chris: Yeah, you got it. And kind of the fallout after that. And some of the response to that too. I'm sure most of your listeners are aware of Sarbanes-Oxley in 2002, kind of changing the game in a way that accountants internally-- as well as auditors externally --need to operate and consider financial information.

So we could spend nine-and-a-half hours talking about all of the nuances of that period in time. But I think to sum it up, it really shifted the responsibility, you know, from that kind of classic, buyer-beware idea of, if you're going to invest in a company, if you're going to believe in their story, that's on you if your hundred dollars is utilized well or not, to much more of a seller-beware, of the information that's being presented by those companies and being attested to by the audit firms, needs to be right. And if it's not, we're going to see a lot of difference there. So that's really the bedrock under which my, and I'll say our careers, Matt, started in this area.

And that led to a lot of changes in how corporations, publicly traded companies, you know, those looking for participation in the public markets had to start formulating their financial reporting functions and consider financial information. So again, very broad lens, very broad view of where things were about 20 years ago.

That responsibility though, shifted from where we see external folks like you and I driving a lot of the, what I'll say initial review or initial analysis of identified issues, whistleblower reports, suspicious behavior inside a company. Usually back in those days, the company would hire external experts and external counsel pretty, pretty quickly to do that.

Now over that 20 years, we see that shifting a lot more in-house where, when you or I, Matt, are approached by a potential client in a financial fraud allegation or, some similar fact pattern, they've already got a lot of their ducks in a row because they've developed the tools and the skills internally to do that.

So our role externally has definitely shifted in those 20 years, but I think that's really a throughline that I've seen over that period for how our jobs have changed and how that responsibility has changed.

Matt: Are you essentially saying that it has become more proactive and less reactive?

Chris: I'd like to say yes. You know, I get two, three, four calls a week that are very, very reactive. So I think, you know, maybe on volume it's not, but when you look at those higher-end, kind of what I like to call bet-the-farm issues of, you know, the CFO has been purposefully manipulating the financial statements to goose the stock price so that he gets a better compensation plan, right, kind of your, your classic tried-and-true-fact pattern.



Those types of issues that are large, multinational, or publicly traded companies are often a lot more developed, where you or I would walk in the door really and be the second person to ever know that this thing was going on. In 2025, we're probably the third, fourth or fifth review of a lot of the things that have already been put together internally by corporate compliance, by internal audit, by maybe an internal fraud or investigations team.

Matt: And is that being driven by technology? Or is it being driven by a different regulatory landscape that exists now as opposed to then? Or both?

Chris: I'd say yes and, right, if we're going to do some improv here. I think the availability of data in a centralized way for many of those companies, many of those operations is a lot cheaper now and a lot easier to analyze where it used to be folks like me sitting in a room with 13 bankers boxes full of paper. Now, that same amount of work to understand those bankers boxes-- which would take me four or five, six weeks and a team -- you can now have ready reports almost in real time, right. So to that data and technology point, absolutely. Those firms, those businesses are able to focus in on that more.

But to your point exactly, we lived through kind of the bread-and-butter days of the FCPA era, of the financial fraud eras of kind of the fallout of the mortgage crisis. And that kind of focus on compliance more so than that reactive nature. Especially around things like self-reporting, right, when it comes to SEC or DOJ potential violations. That kind of carrot, as well as the larger stick, that comes from those lack of self-reporting issues, can definitely drive a company to be proactive in identifying and responding to those threats.

Matt: What was the toolkit like back then? You know, when you broke into your field a couple of decades ago, you mentioned the banker's box approach.

Chris: Mm-hmm.

Matt: But are we talking, you know, manually data entering Excel fields and stuff like that? Or are we talking that the data had to be compiled in such a manual way? Or what are we talking about?

Chris: I'm holding up this little writing instrument here, this is a pencil right. Now, I'm not that, new or that old to the industry--

Matt: That's a mechanical pencil, Chris.

Chris: That's right. I mean, it's very advanced.

Matt: It's a mechanical pencil.

Chris: Back then, right, it was a lot more about identification, right, kind of assimilating and identifying information together. So whether we were working in hard copy documents, like that example I gave, or even on an e-discovery platform where things have already been loaded or translated to a digital format, a digital PDF, we spent a lot of time using, you know, the terms that I'm sure you're familiar with, flagging and tagging.



We'd have a team of people looking at the screen and identifying dates, amounts, relevance, individuals, time periods, functions, that that paper represented. I had to go in and literally click those buttons to say, this is an invoice in December for these parts that was signed by John Smith, and it followed the right approvals, right? There'd be some evaluation of the document.

Today's landscape, a lot of that identification and assimilation is done automatically. So when you're approaching an e-discovery platform or you're dealing with that third, fourth, or fifth level of review of information already compiled by the company, I don't have to go and wonder when this document was created. I don't have to understand John Smith's role. A lot of the technology already provides that for us. Whether that be inherent in the system of operations at the business or with the e-discovery, the electronic discovery and review platform, that's been put on top of that for that specific matter.

Matt: So how are we able to leverage that? Because obviously it comes with efficiencies.

Chris: Mm-hmm.

Matt: But how are we able to leverage that in a manner that's defensible? Because from the legal side of this, when I am, almost every one of my white-collar cases involves forensic accounting.

Chris: Mm-hmm.

Matt: And I think, you know, many of your colleagues have preceded you on this program and talked about those principles, tried and true, of a forensic accounting investigation or a digital forensics investigation. But when we're talking about what sounds like automation, what sounds like leveraging tools that have an inherent artificial-- I don't want to say intelligence 'cause we're going to go to AI-- but that have a machine-driven work product that has not been reviewed by a human. What's the difference in your view between a defensible set of data that comes out of one of these systems and a non-defensible set of data? Because I'm anxious to hear that from the legal side because--

Chris: Right.

Matt: -- when I go into court, I've gotta make sure that what you're handing me can stand up.

Chris: Right. And so to zero in on what you're talking about there, Matt, it's really about getting accurate, correct and explainable information about, say, that invoice in December, right? Why do we know that those parts were appropriately ordered or not? Why do we know that invoice is false or not? How do we know how many invoices were created, fabricated to make sales look better?

Those are the types of characteristics that we need to have a laser focus on ring fencing around from an expert perspective, or from a legal perspective. So if we can say 38 invoices were fabricated and they increased revenue by \$1.2 million, if we ignore those invoices you see they fell \$1.1 million short of the estimates for EPS for that year. Magically these 38 invoices are created at the end of December, we magically get another million two revenue, we magically hit our EPS targets, right? That fact pattern is explainable and, and kind of cynically pretty easy to understand why those would



happen. But the question comes on cross, the questions come on the detail around how we can be determined that only 38 invoices were fabricated and that we're 100% sure that the information that was given to us by the systems-- whether internally at the company or externally in the review-- is accurate.

And that really comes from an understanding of the benefits of that technology and its limitations. I have sat in a deposition where I have been provided with a 39th invoice and I was told, Chris, can you tell me why or why not this should have been included in that package of 38? And I had not seen that invoice before with my own eyes, but I am able to think about the way the system processes that information and say, okay, that invoice is dated November 28th. Our system looked at only late-period invoices happening in the last month of a quarter. Could this invoice be fabricated? Potentially. You know, our system didn't identify it that way, and that wasn't included in the \$1.2 million that put us over the EPS estimate for the year that thereby increase the stock price. So you can start to build those arguments into an expert testimony, deposition or report to say, of course, I can't look at every single piece of data that's ever been created by this company. But I'm confident that when I make my conclusion about those 38 fabricated invoices that they are --for all the reasons that we can identify --not accurate, not paid or not appropriate for the parts that were ordered and the reasonings for that. While also acknowledging there may be some other things out there that aren't there. So in my mind, that 38 number-- again, we're being hypothetical here-- is defensible in that case. But, you know, no expert should sit on a stand and say all of their work-product is perfect. They should be able to identify the limitations of the system and how those, that automation has helped them get to that conclusion.

Matt: Is manual sampling a part of that process?

Chris: It can be. We're moving to a world where a lot more, you know, we like to say we're testing 100% of transactions. Now, that level of testing can be different, and I like to think about it as a funnel. If you start with a hundred transactions for the year, a machine may evaluate the relevancy and appropriateness of all 100 of those and give back to you 20 that it's not sure of. So those first 80 have been quote unquote reviewed, have been tested, by the system. But it's going to be different than the 20 that don't perfectly align with the policies and procedures of the organization. Or with, you know, some of the anomaly detection things we'll do on traditional behavior of the organization.

So, those 20 then get a different level of review where it might take a human, or it might take a second automated step, to look for corroborating information, or, you know, this was approved by email instead of officially in the system. The policy may allow for that, but it just gets kicked out by the machine on the first avenue.

So those types of review are a lot more, like I said, closer to a 100% transaction testing than kind of sampling. But if you're going to provide a sampling analysis or some conclusions on sampling in court, that is something that you better be lockstep able to describe, as well as identify, you know, the chance of sampling error or the chance of the population not being represented by the sample that was given. Those things should all be acknowledged in any report, any deposition, any expert testimony. Because you know, the fact of the matter is that sampling is an imperfect system like every other.



Matt: Is the root cause of this shift to technology-driven analytics a byproduct of the sort of proliferation of big data in just about everything that we do? Have we really changed the paradigm? Is a data-driven investigation, sort of the new reality based on the fact that the way we do business has just changed?

Chris: Yeah. The availability of this information now empowers companies to think about things on their own, right? It used to be everything's humming along, sales are fine, expenses are fine, oh my gosh, we just got a whistleblower complaint. Let's now figure out where our data is and what we can do with it, right? We'll say that's the 2005 version. The 2025 version is, here are the past six months of weekly reports that show anomalies for, you know, what might relate to this whistleblower issue, right? The data's already prepared. And that took some blocking and tackling and we'll just pick on a decade, the 2010s, for companies to figure out a cost-effective way to look for these problems before they happen. But the fact that we are now creating, assimilating, you know, putting everything into databases across an organization, from financial transactions, to HR information, to, you know, badging and to get in and out of facilities, right? All that stuff can be put together to get a pretty clean package ahead of time. And in the long run, the preparation of those reports, the building of policy frameworks that acknowledge those, kind of, the outputs of that data is much more beneficial than just waiting until, what I like to say, Humpty Dumpty falls off the wall and then trying to go back into three, five, seven years of information to see how wrong those reports might have been.

Matt: So talk to me about the tools that are being used in these data-driven investigations today. We alluded in our conversation a few moments ago to this notion of AI.

Chris: Mm-hmm.

Matt: But AI is really a gloss on all these tools, right? Because the tools use AI almost as an engine, and the tools themselves sort of have to interact with one another. If manual input was what you broke onto the scene in forensic accounting--

Chris: Mm-hmm.

Matt: --With back 20 years ago, what are the tools you're using today?

Chris: So AI is going to mean everything to a lot of different people, just like the internet does. I'm by no means an AI expert, nor am I, uh, you know, ready to speak to how that gets played into some of these issues.

But in my mind-- especially when we're talking about accounting investigation and expert testimony-- there always needs to be, you know, the coin phrase is, a human in the loop. And that loop being the iteration of artificial intelligence, decision-making analysis review, so that as we start to cull down that funnel of information, when we get to the bottom, we haven't just created this, you know, Skynet system that is iterating on its own. We've got humans there to understand and evaluate that. So --



Matt: Is the human the guardrails on the AI? Because AI can, we've seen a lot of examples where AI, if left unchecked, can go off the rails.

Chris: Yeah, I mean that, two points on that. I'd say yes, just from my personal opinion, but also, you know, our system of law-- and Matt, you could probably speak to this better than I can -- it's not set up to have AI conclude, right. The idea is that you would sit in a courtroom as a human to testify to an opinion or a fact, right? That hasn't changed. Although, you know, there are two or three stories out there about AI providing testimony and sentencing hearings and things like that. But --

Matt: Is the AI an aggregator?

Chris: It can be in those cases, right. I think the one I'm referencing I think was from the summer, uh, of an individual whose kind of sentiments was created as a message for a sentencing hearing, kind of that, uh, how long should the individual be put away for? I believe that was a criminal, uh, a violent crime, in that case.

But when it comes to accounting investigations, I think the aggregation and analysis from an AI perspective is similar to how we, you know, inherently trust that Excel adds up the numbers and the columns correctly. But it's still up to Chris to testify that that's the right number, right? It's still going to be up to Chris to take the output of AI, explain why I believe that it's accurate, in my opinion, based on my skills, knowledge, education, experience and training, and provide an opinion upon that.

So when it comes to the tools that work through that, a couple of different things I want to hit on. First is that sentiment analysis. This is something that's very popular to talk about. It actually dates back to, you know, a publicly available set of emails from the Enron days where you can go and look at the sentiment analysis of how those emails were written: Later at night, later in the quarter, later in the period, people were a lot meaner about financial results. You can read it in the language even though texts can be hard to read. You know, AI and some of the tools we use to analyze that kind of interpersonal communication helps to identify where sentiments fall outside of what we'd expect. You know, if someone is being angry, you know, halfway through the quarter versus being angry at the end of the quarter, that might be an indication of communication, a change in that communication.

Also, we can see that AI will pull through and our analysis tools will pull through exceptions and anomalies without there needing to be a set of criteria defined by an accountant. You know, it may be able to read the system and look at a hundred transactions over the year and easily identify the two that fall out without Chris having to go in and manually program: I'm looking for transactions that occurred on bank holidays that were approved, you know, with a limit of just under \$5,000, \$10,000, \$15,000 that, you know, kind of all of those classic red flags of potential fraud, waste and abuse. You know, an analytic tool can already pull those out for me so that I put the database in, I click the button, it gives me a report of everything I should start to look at. That to me is the underpinning and the foundation of where analytics and those tools have become so valuable to cut down on time and cost to be able to jump right into those conversations instead of tracing that off in



those bankers boxes and manually entering into a database, then defining the criteria by which we're going to say it's an anomaly or not, then running the script to see which anomalies fall out.

Matt: What keeps you up at night about these automated tools, many of which are built on AI engines? What is it that scares you the most about the shift in your profession that you're describing?

Chris: It's moving fast. And I think that that's an advantage for many, but also a disadvantage for the same. You know, the scariest thing to ever be an expert witness or in an investigation presenting to a board, even if it's not in the litigative perspective, is there being information out there that you haven't considered that you should have.

Right, maybe those unknown unknowns that are out there, uh, to coin a classic phrase. That to me continues, whether it be in a banker's box or in some AI-generated output. That's always going to be something that you want to think about when you're being asked to provide an opinion on a set of data, facts and circumstances on behavior. So thinking about the total population of context for whatever we're going to describe, that will always keep guys like me up at night. That hasn't changed. Now, AI muddies the waters a little bit and it's harder to maybe describe, understand or isn't as widely accepted in the courtroom or in the reports today as it may be in five or 10 years. I'm hoping we can move towards a place-- I'll hit on that example again. You know, back in the eighties when Excel came out, everyone thought that, you know, it was this program that was going to put all of the accountants out of work. And that hasn't happened, although we do trust the computerized calculation programs to do a lot of the work that used to be menial and done by hand with that mechanical pencil or even, a regular pencil.

Getting into that level of detail and understanding of the program of Excel took years. We're going to be there with AI for a while and with some of these automated tools for a while. I'm hopeful that courtrooms and jurors and a lot of the folks that practice in our areas are able to accept, and question appropriately, the veracity of the information of the outputs that come from that, as well as given understanding to the limitations there as well.

Matt: When you were just talking, it harkened back to a memory of my grandfather, my late grandfather. One day I was in his house and I found this leather-bound book.

Chris: Mm-hmm.

Matt: And in it, it was almost overflowing with Compushare transfer agent records. And he was manually tabulating his stock portfolio from the newspaper, the written newspaper--

Chris: I remember those things too.

Matt: --on a daily basis. On a daily basis. And as he advanced in age, he just couldn't keep up with it anymore. And I said, hey, you know, we can dump all this into an online tool and you can see, visualize, not just daily, weekly, but minute-by-minute what's going on with your portfolio rather than take these great pains to have this manual effort. And that's really what I hear you saying, is that



these data visualization tools are a starting place. The, maybe the new starting place, that my grandfather was trying to achieve when he was manually tabulating that portfolio.

Let's shift a minute to how this information is being used and the changes that you've observed with respect to that. Because we talked a lot about the behind-the-scenes investigative work for the benefit of boards and legal teams that forensic accountants routinely do. But that information, at least from my perspective as a litigator, is only as good as the ability to go into court, qualify as an expert and testify as to it in a competent and admissible way. How has the landscape of expert testimony shifted as we have experienced what I could only describe as this seismic shift to data visualization through automation.

Chris: Yeah, I think --I'll say this because I'm not quite there yet. And Matt, I'll expose you as well. I don't think that gray hair matters as much anymore in terms of being an expert. Because if you are working with someone who's like your grandfather, right, was hand tabulating this information for the most of his professional or her professional career, and now they're being asked to testify to a report that was based on the analytic system that's calculating, you know--

Matt: He didn't trust it. He didn't trust it.

Chris: Apart from his own predilection for that. I think that's going to be seen differently from an expert perspective. And I know the folks out there testifying and providing this information in court are obviously well qualified in the debits and the credits and in the lifetime as an auditor or the lifetime as an investigator. But the use of these tools is going to continue to be relevant for a lot of those, you know, sometimes gating issues around, okay, you gave us a 48-page report, how much of that was based on work you did or based on work your team did? You know, how much are we focused on the actual outputs here versus how the system did? Let's talk about the methodology underneath the system. And if an expert cannot explain that, that's really going to be super limiting in how a trier of fact may interpret the weight of, of their opinion.

One of my favorite examples of this, goes back to a case that was being tried, I believe in about 2021. There's great coverage out there. I encourage you to look at it. It is *Botta v. PricewaterhouseCoopers LLP*. An individual senior manager was, you know, blew the whistle on a specific material deficiency issue there. It's a great case, John Sheffers and Francine McKenna, two great authors out there studying the industry have followed it. That case really hinged on expert testimony about what types of red flags exist and how a material weakness should be presented in the financial reports. And the expert who testified said, in my career, I have never seen an example of, you know, red flags like this and a material weakness being provided in the financial reports.

That reporting from Sheffers and McKenna shows that although that expert-- I'm, there's no doubt in my mind that an expert was absolutely 100% honest with that testimony-- they pulled a database of, you know, 20 years worth of information being presented in audit reports and financial reports and found dozens of instances in which those red flags led to a material weakness. That has always been such an interesting idea to me when we talk about the validity of expert testimony, because for, you know, the past 50 years, say, or so expert testimony has been couched only in the accessible information from the expert, right. What, in your opinion, experience, career has told you that your



opinion is valid? We compare that with now-publicly available data of audit reports across hundreds of companies for thousands of reporting periods. That's a different lens, and so the trier of fact may be asked to, in certain cases, think about what's the better weight to consider whether or not this was appropriate. The expert who's been practicing for 35 years? Or the data over this 20-year period that shows that maybe the material weakness should have been disclosed?

That to me is going to continue to be an interesting discussion point for every expert engagement going forward is, what data is out there that could invalidate my opinion or at least be in conflict with it? How would I approach that data knowing that my personal experience is limited to, you know, the 24 hours and 365 days a year I have versus everything that might be out there and available for defense counsel, for, you know, opposing counsel on cross.

Matt: We're talking with Chris Ekimoff CPA, CFF and CFE, a forensic accountant with Withum, about the changing landscape that technology has presented to the forensic accounting field.

What, Chris, do you think is one of the dangers of all this technology? Is there a danger in over-reliance? I mean, I'm reminded of a computer class I took in college where they taught a little bit of history and they brought in the abacus and the professor stood up in the front with an abacus and he literally was showing us what an abacus was a bunch of 20-somethings that actually grew up in the computer age and we're like, what the hell is that thing? And I get the sense that there's probably some tailwinds that push back, in a profession like yours, against the use of these tools and, you know, think you're just some young whipper-snapper that shouldn't change the way forensic accountants do business. Because certainly I've experienced some of that in the legal profession. Perhaps not to the same degree because the technology doesn't exactly do the same things for us that it does for you.

Chris: Right.

Matt: But, you know, at the end of the day, is there a risk of overreliance on these tools?

Chris: Absolutely. I mean, it's the same. You know, we live by the phrase "trust but verify." So if I'm going to put out a report that says 38 invoices are fabricated, I better be damn sure on why those 38 are qualified as fabricated. If I'm going to be testifying to those, I better have in lockstep what they are. And just taking that report from the technology with whatever inputs, whether they be manually entered or artificially intelligence-generated, you know, you need to be ready to defend to your point earlier, that over-reliance, that trust, will always come to a head when we get to the decision point of should we terminate this employee for non-compliance? Should we bring a legal action against this counterparty? Do we have, uh, you know, exposure or liability related to this DOJ indictment that we've received?

All of those-- I'll call them tactical decision points --need to have not just an understanding of the system, but a trust in the system and a verification of the conclusion. Because that's when we're putting dollars and donuts together, right? If we're going to fight this DOJ lawsuit, that's going to be hundreds of man hours, maybe thousands, you know, obviously hundreds of thousands if not millions of dollars, all those types of things. That decision point really comes back to that one idea of,



do I trust the reporting that's been put in front of me? And if the answer is yes, we can go forward and fight the case. If the answer is yes, but we know it's not appropriate, we need to self-report or you know, do we settle the case quickly because we know we don't have a good trust in the system.

I have those conversations with clients regularly. Because oftentimes, especially in the work, Matt, you and I do, we're looking at the information with a different perspective, right? No longer is it, are we meeting our budgets to actuals for the year for the operations in this region? It's now, what are we telling the bank that gave us this giant loan that's really floating us? And do we tell 'em appropriately or do we need to kind of go back and correct that? Obviously from the public company side, are we telling the market the right information and what liability might we have, or what exposure might we have, when it comes to things that we'd expect to report from an SEC perspective? Those decision points will always require evaluation, you know, to make a decision around whether we go forward.

I'm scared for the day that AI tells me whether or not to move a case forward, without there being, you know, some discussion between multiple humans to make that happen, that human in the loop, instead of the AI immediately respond to the DOJ with an inappropriate letter. I'd rather have that be decided together, and we can walk forward as humans together in that.

Matt: For frequent listeners of the program, you know that we've done our level-best to try to call out and predict some of the trend lines that we're seeing in white-collar enforcement and investigations. What are some of the trend lines you are seeing? What are some of the frequent flyers, if you will, on the subject matters of your engagements these days?

Chris: Yeah, that's right. I mean, again, we can go back to pencil and bankers boxes.

Matt: It'll change maybe tomorrow. But you know, as of the time we're talking today.

Chris: One of the interesting things for me when it comes to individual allegations, liability, officers and directors type issues, I've come across a couple of cases that have dealt with geolocation issues. Whether it be, you know, inappropriate use of company planes or inappropriate relationships with subordinates. That to me is something that's super interesting and will probably only be another piece of context that we add to analysis, right? It used to just be, show me the financial transaction. Okay, show me the source documents.

Then it was, let's add the emails and see what was talked about at this time. Then it was, let's look at the landscape of earnings estimates or, you know, competitor performance and see are we trying to change the game? I think adding that kind of personal tracking type context is really interesting because it not only gets to kind of the intent in the discussion that we saw in emails and other information, but it is something that's so prevalent in all of our lives today. Everybody's got a super computer in their pocket that tells everybody where you are all the time. That information is constantly subpoenaed and reviewed and especially in criminal cases, you know, with cell tower triangulation and things like that. But that information adds a layer of context to a broadening set of facts and circumstances that will be harder to consider in that eventuality if we don't think about it upfront, right? The CEO --



Matt: And a layer of complexity to the legal issues when it comes to the privacy considerations--

Chris: Yep.

Matt: --That sort of gloss onto each of, and every one of those issues that you're speaking of.

Chris: And you know, if you use the corporate jet 10 times a year, but you only have your phone on for nine of them, why did you turn off your phone on the tenth one, right? You're creating this idea that I can't be tracked for that tenth group. Why? Why did I do that? Am I looking at a merger target that I should have told someone about? Am I going somewhere I shouldn't go? You know, those kind of things will always be continually interesting to me.

So, broadly speaking to your question, Matt, the context that we can add based on this kind of big data environment will probably be endless, and will continue to change as we start to wear, you know, fitness trackers and have watches that tell us what our heart rate is, right. I'm very interested in how that'll play into some of these conversations if we think about that related to the sentiment analysis we had at emails. You know, is Matt's heart rate elevated because it's an important legal argument, or is his heart rate elevated because, you know, he's bringing something to court that he thinks might not be admissible, but he is hoping it is. I can't imagine the ways that that data will be divided and presented in the years to come.

Matt: Are the tools that are reconstructing this big-data environment, all the little breadcrumbs that the big data environment leaves, are these tools that aggregate this piece with that piece and perhaps marry an email to a geolocation, or a photo to an email or a text. Are these tools accurate in your experience?

Chris: Yeah. I think the aggregation part of it is absolutely accurate. The decision point about appropriateness or compliance, again, will always come back to a person, right? I was on an investigation a few years ago where an individual was inappropriately expensing trips to go to his alma mater for a big college football game on a regular basis. And we brought all the information forward. We had social media accounts that showed that he was, you know, at the places that he was expensing to go fly to these large stadiums to go watch games. So I thought it was open and shut. It turns out that there was a lot more consequence to how those expenses were being treated from the organization's perspective in a relationship with a counterparty, one of their advertising vendors, that added a lot of nuance. Basically, the advertising vendor was providing him with additional funding so that they would feel empowered to renew their contract with that organization. And when he --

Matt: We call that a kickback.

Chris: I'll let the lawyer speak to the, appropriate language there. And in that case, you know, we saw that instead of this individual being terminated and potentially, you know, having criminal or civil action brought against them from the organization, they were just moved out of the position and provided additional training about appropriate interactions with counterparties. The dollar value was very small to the broader organization. But that kind of fact in detail didn't exist in the data, it was all external, you know, kind of context. So when we can marry up all that information and Chris can walk



into a room with a perfectly vouched package of transaction activity and a social media picture of this individual at a college football game, I'm going to feel one way. But the way the organization approaches that analysis and that evaluation is another way in which, you know, we need to continue to be open to other possibilities.

Matt: In our waning moments together today, Chris, I want to, ask you my favorite question--

Chris: Please.

Matt: --um of guests on this program and repeat listeners will, will know that I frequently go down this path. I want you to break out your crystal ball.

Chris: Mm-hmm.

Matt: I want you to look into the future of your profession and talk to me about the types of areas that forensic accountants are going to need to have in their skillset as this data-driven environment in which we live only expands. I just don't see a scenario in which this data-driven landscape starts to contract. We are not going back to the abacus, in my view.

Chris: The abacus is different, right. It's now something else. But your question is about the skillset for forensic accountants and this is probably very similar to attorneys and a lot of folks broadly. As there is a more defined, understood and trusted amount of financial information available for experts, for investigators, for every practice area that we're in. I think the shift in strength on a skillset that's more valuable is for lack of a better word, storytelling, right. Is being able to assimilate, drive a conversation, a logically thought-out description of what this data means, of what the implications and significance of that data are, and making it translatable to whomever it's being presented to. To a board, to a bank, to a regulator, to investors, to a judge, to a jury in the cases, in litigation, that storytelling piece, you know, everyone stereotypes, the accountant as you know, the green visors and suspenders, counting beans like Bob Cratchit.

Matt: Pocket protectors.

Chris: Uh, you got it, in front of Ebenezer Scrooge. And we're not counting beans anymore, right?

The bean count is done. We know what, how many beans there are, it's now, how do we talk about them in a way that's meaningful to the audience that we're presenting to? That used to be something that accountants didn't have to think about a lot. And that's really where I spend the vast majority of my time.

And a lot of folks I, our contemporaries within the profession do is how do I take this question, this objective and investigation and make it, you know, scaled to the audience, reasonable in its presentation. Obviously accurate, but also meaningful to that conversation, and what the implications of that data might be.



Matt: Chris Ekimoff of Withum, a forensic accountant specializing in data-driven investigations. We can't thank you enough for joining us on "The Presumption of Innocence." That's all the time that we have for today's episode, but we'll see you next time. I'm Matt Adams. Take care.