



## Global Digital Forensics

Case Study – Digital Forensics

Case Type – Massive Financial Fraud

Environment – Mainframe and Network

Industry – Financial

Quantity of Data – Terabytes

Task – Work with counsel on Discovery Requests, Depositions, 30(b)6 and data correlation, coding and quantification of damages.

### Scenario:

A large publicly traded financial institution, with its principal offices in the North East contacted GDF investigators for assistance in finding multiple possible instances of fraud.

The company was alleged to have charged customers unknown or so called “hidden” fees associated with the customer accounts and charge cards.

### Background Information:

This financial institution was being sued by a group of customers and a group of shareholders under separate legal actions. The company had tried to mitigate the damages by entering into a settlement claim with its customers

which was agreed to without the use of electronic evidence. The shareholders on the other hand were undeterred to move forward with their case, relying on the assumption that because of the company’s broad range of computer based systems, good evidence was bound to exist. The company had processed all of its transactions via a third-party processor who was not named in the lawsuit. Records of those transactions existed in systems that were both geographically and technologically disparate. In addition, the amount of data constituting those transaction records was enormous – more than 50 million records.

Because the data underlying those records were so geographically and technologically diverse and because of the massive amount of data that needed to be collected, the lawyers on both sides of the litigation table were in a difficult position. On the one hand, the plaintiff attorneys were eager to find culpable evidence to increase the damages that the company would have to pay. On the other hand, the defense bemoaned the possibility (based on current case law) that their associated costs for collecting that data were unjustifiably high.

### GDF Involvement:

GDF was contacted by the attorneys to help guide the parties on how to proceed with collecting and culling through the data. GDF identified key legal and technical issues regarding the process necessary to find a negotiated medium among both sides’ concerns. Using information supplied by the parties and by the third-party processor, GDF was able to determine that all of the data was actually not needed in order to calculate accurate damage amounts. The way the third-party processor had initially collected the data, the way the financial institution received the data and the way the data was used to calculate the “hidden” fees was mapped by GDF using its knowledge of the technology involved, the procedures involved (as they were laid out by the parties) and by using certain approved statistical and mathematical analyses. By doing this, GDF determined that by collecting a special series of sample data and by processing those samples through the correct calculations, true and accurate damages could be determined.

### Outcome:

GDF worked with the parties to create the processes needed to calculate the correct amounts related to the case, and assisted in drafting deposition notices and document requests that narrowed the scope of the inquiry, thus alleviating each party’s original concerns related to finding critical evidence and not spending exorbitant amounts of money doing it.

## Global Digital Forensics

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