



Global Digital Forensics

Case Study – Digital Forensics/Regulatory

Case Type – Insurance Industry Regulation

Environment – Complex Mainframe, Desktop, Raw Transaction Data, E-Mail

Industry – Insurance

Scenario:

A State Regulator was in the middle of an extensive examination of an insurance company that fell under its jurisdiction. The insurance company was suspected of engaging in certain activities that may have been in violation of certain state and federal regulatory guidelines. The insurance regulators had been working on the examination for a number of months until the examination finally reached a phase where the analysis of particular computer systems was necessary to find out more information. The insurance company, not wanting to lose its ability to do business or jeopardize its license, had up till then cooperated with the state regulators, albeit in a round about way. The state regulators had conducted a few onsite interviews,

had reviewed documents supplied to them by the insurance company and had begun to build a file with respect to particular activities at the insurance company. However, the regulators had difficulty obtaining and interpreting all of the information, procedures and practices of the insurance company due to the company's intense use of computerized systems in every aspect of its business. The insurance company also was doing business in other states, and regulators from those states were in similar predicaments. The computer systems used by the insurance company were state-of-the-art and the functionality and use of those systems were way beyond the expertise of the regulators. The regulators knew that in order to ferret out the truth regarding what the insurance company was doing behind the scenes, those systems must be reviewed and analyzed.

GDF Involvement:

Global Digital Forensics, Inc. ("GDF"), having a strong reputation in the compliance market and having had major successes in regulatory type investigations in the past, was contacted by the state regulators and brought in to assist in the examination team. GDF staged its investigation into two parts. First, GDF analysts used general and hard-to-find public information to build a digital dossier on the insurance company and its many affiliates and associated individuals. These results were gathered and presented to the state regulators before proceeding to the second phase of the investigation, the onsite examination of the insurance company's digital assets, including extensive interviews with the insurance company's technology staff, operations personnel, as well as an intense review of the computer systems being used at the insurance company.

GDF Findings:

In less than nine days, GDF's expert team of investigators uncovered more relevant and crucial information than several other teams of regulators were able to in more than six months of work. GDF examiners begun their investigation of the insurance company by first conducting a digital based examination of the insurance company itself. This was not computer forensics examination per se (which occurred later), but was the investigation of the digital based resources, whether related to or owned by the insurance company. This stage of the GDF digital investigation included reviewing and collecting information regarding the insurance company's use of its advanced computer systems, website properties and other Internet based activities. The onsite examination involved two GDF senior examiners interviewing IT staff, Operations staff and other personnel, as well as sifting through many documents and industry related materials made available and discovered during the examination. During the process, it also became apparent to the examiners that certain facts were not consistent with other information obtained during the course of the general investigation which led to more inquiries and the expanding of the scope of the investigation by the regulatory agency.

Outcome:

The findings were reviewed by the relevant parties, including the original state regulators, other agencies of that state (impressed with the findings), and separate state entities with an interest in the outcome of the examination. The results and findings are confidential in nature, but the outcome not only allowed the regulators to understand the true and complete nature of the business operations of the insurance companies (and take appropriate actions to address the areas of concern), but also lead to the cooperation and expansion of the review to a multi-state cooperative effort.

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