



Abhay Nevagi & Associates

ISO 9001:2008 & ISO 27001:2013 Certified

# Embezzlement of funds in a us based it firm's Indian entity Identified; the guilty Employees Sacked

## BACKGROUND

A captive IT outsourcing unit of a US based client wanted to ascertain embezzlement of funds by certain employees of Procurement department and to recommend appropriate action against them. The client had observed certain discrepancies in billing/ invoicing of certain vendors such as food and beverage providers, transport vendor, office supplies vendor, etc.

## CHALLENGES

- The entire investigation was to be done discretely so that the responsible employees could be apprehended with appropriate evidence to substantiate the allegations.
- Being a US based company the client wanted to ensure that all actions to be taken against the infringing employees was conducted as per the law, so as to ensure that the company is not pulled into unnecessary litigation.

## STRATEGY

- The manner in which services/ products were procured by the client company was examined.
- A detailed study of procurements over the past few years was conducted
- A multi-dimensional examination of details of quantities of products/ services consumed by the client were noted and were compared with other factors such quality of service, number of employees present from time to time, etc.
- A distinct discrepancy between the procurement quantities of the said services/ products and the number of employees present at the time of such purchases was observed.
- Four employees of the purchase department were identified. Analysis of their laptops and smart phone provided by the company was carried out. Certain evidence which pointed towards procurement irregularities was located.
- An enquiry was conducted and each of the four employees was examined. They did not admit to any wrong doing however, yet links between discrepancies in procurements could be clearly established.
- A systematic and appropriate enquiry report was submitted.



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### IMPACT

- The concerned employees were dismissed immediately without any notice pay.
- Necessary documents were drafted.  
The detailed report and strong evidence ensured that the employees would not approach the court.