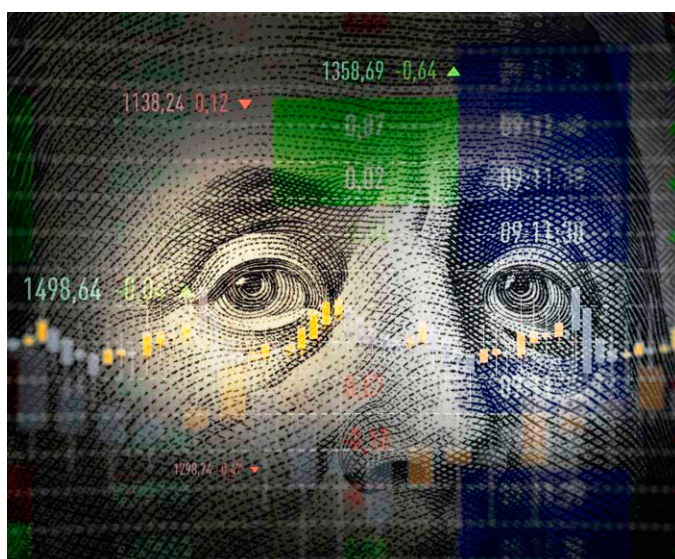


Cash Tracing and Flow of Funds Analysis

Investigations of Ponzi schemes, embezzlement, or other types of fraud schemes, potential non-compliance with sanctions or regulatory standards, and investigations arising from domestic or foreign disputes typically ask one important question: Where did the money go? Asset tracing can determine ownership of cars, yachts and real estate, but tracking cash moving between different banking and cryptocurrency accounts requires specific forensic accounting and digital asset expertise beyond ordinary asset tracing.

FTI Consulting has a proven track record in untangling some of [the world's most high-profile financial crimes](#). Our unparalleled experience across a variety of matters allows us to investigate and reconstruct complex financial transactions and trace flows of funds in a variety of engagements. For example, FTI was retained by the court-appointed trustee in the liquidation of Bernard L. Madoff Investment Securities to help track down the ill-gotten funds in the largest Ponzi scheme in history – a recovery effort to date that has yielded over \$14 billion for the victims of the fraud.



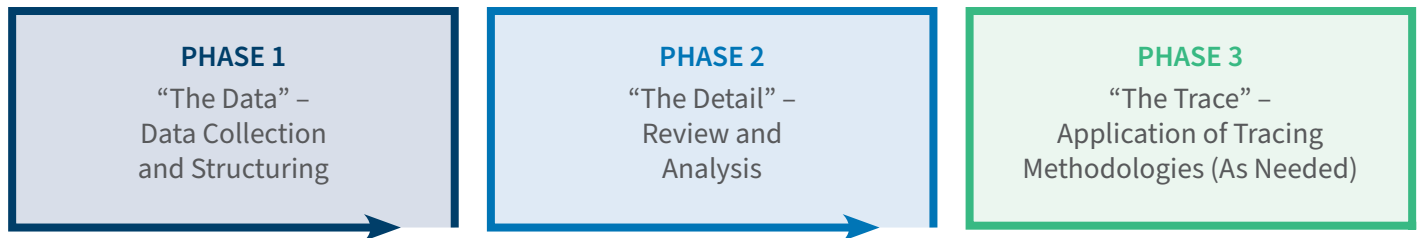
When called upon to investigate allegations of misappropriated funds, we help untangle complicated flows of funds and tell the stories of:

- Where did the money come from?
- Where did the money go?
- How did money flow between various accounts/digital wallets?
- Who owns what is left in an account/digital wallet?

We offer a multidisciplinary team approach to deliver outstanding results for our clients. Our expertise includes:

- Data and analytics experts positioned to convert bank/digital asset exchange account data from a variety of formats into a usable format for further analysis.
- Forensic accounting and fraud investigation experts who not only get a high-level picture of how funds move within and between entities and accounts but can also apply their investigative skills to uncover more about the sending/receiving parties involved.
- Experts in digital assets who can determine digital wallet balances, trace transactions and flow of funds, identify funds related to dubious sources and help determine attributions of digital wallets.

While every matter is unique, we generally follow a phased approach in our cash tracing and flow of fund analyses:



No matter the volume, we work with our clients to help them understand and acquire the data and establish the parameters and population of accounts to be analyzed. From here, our data and analytics professionals convert the wide variety of bank data formats – PDF bank/digital asset exchange statements, exports from respective websites / online accounts – and prepare a consistent set of structured data.

Once the data is in a structured and usable format, our investigative team sets out to review transaction activity to identify sending/ receiving parties and confirm total transfers between bank/digital asset exchange accounts and/or digital wallets. This often includes a review of other documentation (such as accounting records, invoices, blockchain explorers and correspondence) and/or public research to supplement bank/ digital asset exchange statement data (which can be incomplete). We then summarize our findings in concise and easy to understand schedules and flowcharts.

In certain cases, it may be necessary to track money from a particular party which may have been deposited into an account that contains other funds, such that the sources of funds cannot be specifically separated (“commingled”). We have extensive experience in applying tracing methodologies necessary to attribute outflows to particular incoming amounts in the instances of commingling. These methodologies — Last In, First Out (“LIFO”), First In, First Out (“FIFO”), Proportionality, Lowest Intermediate Balance Rule (“LIBR”), among others – have been derived through accounting practice and case law, and we can provide findings under multiple methodologies for purposes of internal decision-making or use in litigation.

LISA COLLURA

Senior Managing Director
+1 212.841.9339
lisa.collura@fticonsulting.com

JACO SADIE

Senior Managing Director
+1 415.283.4230
jaco.sadie@fticonsulting.com