

Digital Digging: Using Social Media to Shed Light on Investigations

A major pharmaceutical company recently approached FTI Consulting after having uncovered a significant number of counterfeit and product tampering issues surrounding one of their popular insulin products. It was soon determined that many of the incidents reported involved a simple delivery system in which the insulin had been removed by the counterfeiters and replaced with other substances that could cause serious adverse effects in diabetic patients. By the time the FTI Consulting team was engaged, the client company had already received hundreds of product complaints across a wide swath of the People's Republic of China (PRC), in over 10 separate provinces.



FTI Consulting's investigative social media mining tools caught this man who is now serving 12 years in a PRC prison for counterfeiting a cervical cancer drug

According to traditional methodology, an investigator might wait for the client to receive complaints, and then attempt to trace those complaints back to the petitioners for further information. At FTI Consulting, we engaged in a more proactive approach – social media mining. This involved conducting daily monitoring of tens of thousands of online forums and social networking sites for mention of the product in question. Ultimately, these efforts uncovered just what we were hoping to find: potential victims who had used the fake drug and were airing their grievances using a variety of social network forums.

Through this method, our team discovered a series of uncatalogued pages that made up part of a popular forum website. Listed on these pages were a range of advertisements from entities claiming to specialise in the

recycling of medical products – including the client product in question. Subsequent social media monitoring activity uncovered further advertisements posted by these entities with regards to the collection of used insulin delivery machines, from which the team was able to identify a number of mobile phone contact numbers that were being used consistently across advertisements. As a result, FTI Consulting is now working with our client to shut down the fake insulin traders and engage potential witnesses to build an enforcement case against a number of PRC wide syndicates. An outcome made possible by our extensive knowhow in utilising social media mining to pinpoint the right leads.

The Great Chinese Social Media Scene

In the PRC, the burgeoning popularity of social media channels, the rapid spread of mobile internet technology, and the way the internet has enabled individuality and relative freedom of speech in a country that has traditionally been lacking in both respects have converged to create the most active online community in the world. The PRC currently has over 564 million internet users (equal to more than 42% of its total population), who together spend more than 1.7 billion hours per day online.¹ This pervasive use of the internet and social media has generated unprecedented volumes of social data, which although vast and unstructured, present real opportunities for the businesses and organisations who know how to sort through it.

Recent statistics on internet usage in the PRC indicate that there are an estimated 597 million active social networking users in the PRC.² Qzone, Tencent Weibo and Sina Weibo are some of the more popular social networking sites in the PRC that have outstripped their Western counterparts such as, Facebook, Twitter and Google+, in terms of the number of registered users with just under two billion accounts recorded cumulatively. These staggering numbers not only highlight the extent of the social media phenomenon in the PRC, they

¹ <http://www.slideshare.net/wearesocialsg/we-are-socials-guide-to-social-digital-and-mobile-in-china-2nd-edition-jan-2013?ref=http://www.digitalbuzzblog.com/slideshare-chinese-social-digital-online-mobile-statistics-china-2013/>

² <http://www.slideshare.net/wearesocialsg/we-are-socials-guide-to-social-digital-and-mobile-in-china-2nd-edition-jan-2013?ref=http://www.digitalbuzzblog.com/slideshare-chinese-social-digital-online-mobile-statistics-china-2013/>

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indicate the vast amount of data being uploaded and exchanged online by the Chinese population. Interestingly, records also indicated that only 38% of the PRC's netizens revealed their real names on social networking sites.³

- **Netizen:** A portmanteau of the English words Internet and citizen. It is defined as an entity or person actively involved in online communities and a user of the Internet, especially an avid one.
- Chinese netizens spend an average of 21 hours online per week.
- 91% of the online population of the PRC has an account on a social media site, compared to 67% in the U.S.
- Four out of the top five social networking sites (by user numbers) in Asia are from the PRC.

See footnote reference number 3 for source.

New Value in a Familiar Place

Monitoring what the masses are saying on social media for business intelligence is by no means a new concept. Businesses in the West have been analysing chatter on social media sites like Facebook, Twitter and Foursquare for years to get timely feedback on consumer attitudes towards products and services. Most businesses tend to look at social media data from the perspective of marketing, using the data to measure branding effectiveness, consumer trends and

advertising ROI. From the perspective of a risk and investigations professional however, social media data holds vast amounts of meaningful information that, if examined effectively, can be used to uncover valuable leads and sources and provide on-the-ground evidence for the most challenging and covert operations. In an age where so much is happening online, social media mining allows us to identify useful leads in the digital domain, following these leads through into the realm of reality enables us to generate findings and results that matter most to our clients.

Deep in the Social Media Mines

Uncovering the truth and locating individuals who may hold valuable evidence or information that could shed light on a particular matter or corporate investigation, especially in a country as massive as the PRC, is a complex issue. That's where social media mining comes in. These days a wide range of information sources live on the internet – especially in the PRC, where people often feel most comfortable speaking their mind via online forums, blogs and microblogs. However, investigators won't find these leads on the part of the web that the usual "Google or Baidu search" might reveal. These entities reside in what is referred to as the "deep web" – the part of the internet not catalogued by standard search engines, which includes small scale, local Chinese message boards and discussion forums, and individual postings made by users on social media platforms. To an increasing degree, these uncatalogued areas of the internet are where purchasers of counterfeit products air their complaints;

The PRC's Top Social Networking Sites by Number of Users Registered*

Networking Site	Number of Users	Description
Qzone	712 million	A social networking site created by Chinese mass media giant Tencent in 2005 that allows users to write blogs, keep diaries, send photos, listen to music, and watch videos.
Tencent Weibo	507 million	The Chinese equivalent of Twitter – a microblogging site that allows users to broadcast a message of a 140 characters at most.
Sina Weibo	500 million	A hybrid of Facebook and Twitter, about 100 million messages are posted each day on this Chinese microblogging site.
WeChat	300 million	Literally translated to 'micro messaging,' WeChat is a mobile text and voice messaging communication service similar to WhatsApp.
Pengyou	259 million	A real-name social network site that has both a social area also a section for corporate outreach, where friends can become 'fans' of various companies, and companies can utilise the site to engage with their consumers.
51.com	200 million	An online Chinese gaming community.

* <http://www.resonancechina.com/2013/03/20/top-10-most-popular-china-social-media-networks/>

³ <http://www.slideshare.net/wearesocialsg/we-are-socials-guide-to-social-digital-and-mobile-in-china-2nd-edition-jan-2013?ref=http://www.digitalbuzzblog.com/slideshare-chinese-social-digital-online-mobile-statistics-china-2013/>

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counterfeit component suppliers market their services; grey market product distributors look for customers; black media campaigns begin; or disgruntled employees proliferate their grievances. Often, these online dialogues unwittingly reveal valuable intelligence about a wide range of subjects, and having the capability to understand and use social media monitoring and investigation tactics can allow interaction with these individuals or groups, and uncover what would otherwise be undiscovered intelligence.

FTI Consulting has incorporated the unique capability to monitor, mine, and analyse online Chinese social media data into our intelligence management system, enabling us – as fraud investigators, brand protection experts and business intelligence specialists – to pinpoint targets and witnesses, trace the source of product complaints, the origins of a negative media campaign or anonymous whistle blower allegations. Our teams are able to identify trends in this sea of unstructured social data by using an advanced text mining engine and powerful keyword searches. Our daily monitoring can track and retrieve postings across 30,000 Chinese discussion forums and 500 Chinese social media sites, including all public activities on Sina and Tencent Weibo, social networking services (SNS), bulletin board systems (BBS), blog sites, online news portals and more. Our robust program has the capacity to trawl through more than 200 million microblog posts, 70 million forum posts and 54 million other social media platform posts per month.

Further to this, our teams have access to a full data archive containing information posted on many of these sites since 2004, giving us the powerful capability to provide insight on assignments that require retrospective investigation and analysis. Once relevant data is gathered, the system applies advanced processing techniques, such as using semantics to automatically sort posts based on their sentiment (i.e. whether a post is positive, negative or neutral) or social network analysis to assess the relative influence of an online user within the online community. This capability not only allows FTI Consulting to manage and collect big data effectively, it enables us to quickly identify and report on issues of critical interest to our clients.

What People Are Really (Not) Saying

Beyond helping to identify targets in brand protection investigations, the Global Risk and Investigations team of FTI Consulting sees the social media mining capability adding value in other areas as well. One instance is a much darker side of the PRC social media scene which has seen a considerable surge in recent times – the “*black media*” phenomenon. Emerging as a real danger to legitimate businesses, this is when social media companies are hired to conduct malicious marketing or black market PR campaigns against well-known brands or personalities by spreading false and negative information. Usually employed by a competitor or disgruntled employee(s), these social media organisations are often locally called “*water armies*” for their ability to flood social media websites with negative and damaging comments.

Late last year, e-commerce giant Alibaba and hugely popular Chinese microblogging service Tencent were involved in an

online mudslinging battle that showcased just how prevalent, and even accepted, black PR campaigns were becoming amongst the Chinese business community. The scandal started when Tencent’s PR team used the company’s Weibo account to accuse Alibaba of planting negative media articles to damage Tencent’s reputation. In response, Alibaba claimed that Tencent had engaged in similar tarnishing campaigns against Alibaba. Neither side denied their actions.⁴ While, this case took place on a more public forum, at FTI Consulting we have gradually watched the emergence of this undesirable aspect of the social media in the PRC occurring behind the shadows, and witnessed first-hand the damage and distress to a business they can cause, often over a very short period of time.

In light of this, our social media monitoring teams have been able to pinpoint the tell-tale signatures of paid black marketers – such as unnaturally short time intervals between posts, usernames that are only days old, and identical comments or user behaviour appearing across multiple social media channels – to assist clients facing harmful smear campaigns. In so doing, we have helped clients identify whether sudden negative buzz surrounding their product might be the work of a conniving competitor, blackmailer or disgruntled employees seeking to harm the company’s interests.

Listening Closely to the Future of Investigations

In many cases, people turn to social media to spread good news, air grievances and voice their concerns about the issues that matter to them. Given the amount of information shared, transferred and stored on these sites, social media mining can add value in a number of investigative areas, one such capacity includes in-depth investigative due diligence and vendor screening investigations. So for clients who want to know what people are *really* saying about their potential vendors, business partners and investment targets before proceeding with their transactions, our social media mining capability can be used as a valuable and efficient tool toward that end.

FTI Consulting’s social media mining capabilities have provided our clients with a unique and efficient approach to conducting investigations, particularly in the PRC where social media is advancing at a rapid pace. Never has information been so readily available, vast and unsystematically stored and as social media networks, microblogs and digital bulletin boards play a greater role in both the corporate and personal arenas, it is crucial that effective usage of these extensive databases be integrated into common investigation protocol and risk assessment practices. Utilising the vast amount of information stored ensures that your investigation remains relevant, comprehensive and practical.

⁴ “How firms are using ‘black PR’ to tear down their rivals”, South China Morning Post, 3 January 2014, <http://www.scmp.com/business/china-business/article/1396461/how-firms-are-using-black-pr-tear-down-their-rivals>



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CRITICAL THINKING
AT THE CRITICAL TIME™

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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