

# Contents

<b>1</b>	<b>Characteristics of White-Collar Crime.....</b>	1
	White-Collar Crime Offenders.....	1
	White-Collar Crime Offenses .....	4
	White-Collar Crime Behaviors .....	5
	White-Collar Crime Motives .....	8
	Magnitude of White-Collar Crime.....	11
	References .....	11
<b>2</b>	<b>Convenience Theory of White-Collar Crime.....</b>	13
	Strategic Crime Resources.....	14
	Organizational Crime Opportunities.....	19
	Neutralization Techniques.....	24
	References .....	28
<b>3</b>	<b>Detection of White-Collar Criminals .....</b>	31
	Sources of Crime Detection .....	31
	Auditing Role in Crime Detection .....	35
	Crime Signal Detection Theory .....	38
	References .....	41
<b>4</b>	<b>Private Internal Investigations.....</b>	43
	Reasons for Private Investigations .....	44
	Private Fraud Examinations .....	46
	Financial Crime Specialists.....	48
	Certified Fraud Examiners .....	50
	Police Versus Internal Investigations .....	51
	Implications from Convenience .....	54
	References .....	55
<b>5</b>	<b>Internal Investigation Approaches.....</b>	57
	Person-Oriented Investigation.....	57
	Place-Oriented Investigation .....	58
	Archive-Oriented Investigation.....	59

Technology-Oriented Investigation .....	59
Hypotheses Testing .....	62
Investigative Thinking Styles.....	63
The Case of Kelly Paxton .....	67
Markopolos in the Madoff Case.....	69
<b>6 Evaluation of Internal Investigations .....</b>	<b>73</b>
Investigation Evaluation Criteria .....	74
Integrity in Private Investigations .....	77
Objectivity in Private Investigations .....	80
Accountability in Private Investigations .....	82
Investigation Blame Game Hypothesis.....	83
Investigation Blame Game Contents.....	85
Maturity Model for Investigations .....	88
Convenient Internal Investigations.....	90
Investigation Evaluation Reports .....	90
References .....	92
<b>7 Sample of US Investigation Reports.....</b>	<b>95</b>
Case 1: Acar Investigated by Sidley.....	95
Case 2: Coatesville Investigated by BDO .....	97
Case 3: Enron Investigated by Powers.....	98
Case 4: General Motors Investigated by Valukas.....	101
Case 5: Lehman Brothers Investigated by Valukas .....	102
Case 6: Motorola Investigated by SEC .....	105
Case 7: Padakhep Investigated by Inspector General .....	106
Case 8: Peregrine Investigated by Berkeley.....	108
Case 9: Philadelphia Police Investigated by Commission .....	108
Case 10: Sandstorm (BCCI) Investigated by PwC .....	110
Case 11: Walters Investigated by WilmerHale and PwC .....	112
Case 12: Wildenthal Investigated by Breen and Guberman.....	115
Case 13: WorldCom Investigated by Wilmer and PwC .....	117
References .....	118
<b>8 The Case of Moscow School Investigation .....</b>	<b>121</b>
Investigation by Ernst & Young Consulting.....	122
Suspect's Criticism of the Investigation.....	123
Investigator's Response to Suspect's Criticism.....	127
The Case Story Goes On.....	131
Integrity: Objectivity – Accountability .....	132
References .....	134
<b>9 The Case of Nordea Bank Investigation.....</b>	<b>137</b>
Scandinavian Bank Nordea.....	138
Internal Investigations at Nordea .....	139
Evaluation of Investigation .....	140
The Case of DNB Bank Investigation.....	143
References .....	145

<b>10 The Case of Telenor VimpelCom Investigation .....</b>	147
Statement of Facts.....	148
Deloitte Investigation .....	149
Blame Game Candidates.....	149
Deloitte Findings.....	150
References .....	153
<b>11 The Case of Public Administration Investigation .....</b>	155
The ILPI Case .....	155
Theory of Convenience .....	156
Internal Investigation .....	158
Investigation Summary .....	159
Theory of Principal-Agent .....	161
Evaluation of Investigation .....	162
References .....	164
<b>12 Empirical Studies of Investigations .....</b>	167
Sample of Investigations .....	167
Empirical Study of Agency Theory .....	172
Empirical Study of Contingent Stages.....	181
Empirical Study of Mandates.....	189
Empirical Study of Digital Evidence .....	195
References .....	206
<b>13 The Investigation Business .....</b>	213
Privatization of Law Enforcement .....	213
Secrecy of Private Investigation Reports .....	216
Lack of Disclosure to the Police .....	218
Competence of Private Investigators.....	222
Limits by Investigation Mandate .....	223
Principles for Regulation .....	224
Student Evaluations.....	229
References .....	235
<b>Conclusion .....</b>	239
<b>References .....</b>	241
<b>Index.....</b>	257