

# Sedra Solutions helps crack embezzlement & money laundering case

Detecting and combating financial crime in high-value global industries like oil and gas is challenging due to varying regulatory frameworks across jurisdictions, the complexity of the transactions, and the involvement of multiple stakeholders across the globe. This case study examines major fraud perpetrated by a corrupt individual who used his network of contacts in the oil and gas industry to defraud multiple international banks.

## Case background

One of our clients brought us a case where an individual was accused of embezzling and money laundering schemes across the globe. The perpetrator had defrauded multiple banks of over USD \$350 million, and the schemes involved multiple parties beyond the companies he owned or managed. The court-appointed liquidator, backed by a litigation funder, decided to use the Sedra Solutions platform to ingest hundreds of thousands of transactions as part of their financial investigation to uncover suspicious activities.

## Challenges in conventional money tracing

Before using Sedra Solutions, the client took the conventional approach of manually processing the data. The initial steps included meticulous data collection, organization, and standardization through a manual process. This rigorous effort aimed to achieve data uniformity, which is essential for commencing financial investigation and manual money tracing.

The client's data included financial transactions extracted from bank statements, credit cards, and Intermediary Bank Discoveries (IBDs) from various sources. The data was provided in multiple formats, even from within the same bank. This introduced significant manual challenges in organizing and standardizing the datasets, totaling over 300,000 transactions spread across 322 Excel files — each with a unique format — in addition to 17 bank accounts and 23 wire transfer reports (approximately 17,000 pages of PDF transactions).

After dedicating a grueling 663 hours, a team of five employees successfully standardized the datasets, culminating in a final master file that meticulously detailed each financial transaction with its corresponding source data. With this groundwork complete, the team commenced their money tracing and analysis efforts. Initially, they used conventional Excel formulas and features to consolidate amounts and trace money flows between parties across different jurisdictions over several years.

Additionally, the team manually cross-referenced bank transactions with other financial transaction entries to identify any discrepancies, which indicated the need for additional financial data or missing bank statements.

However, the team was then left with a short period of time to trace the money flows within a large dataset — a process that would take several weeks or even months of work to reach a preliminary conclusion. That's when they brought the case to Sedra Solutions.

## Revolutionizing efficiency: Sedra Solutions

Our platform drastically reduces the time required to conduct effective analysis by presenting data in a user-friendly interface that simplifies complexity.

Users can view all financial transactions in various ways, sorting by party or across the entire collected dataset. Advanced insights into bank account details and geographical proximity allow you to uncover additional party names related to the perpetrator and their network of connections.

The platform automatically detects unusual transactions and provides clear reasons for flagging them as suspicious. This gives you a preliminary list of suspicious activities to review and determine whether they are normal or warrant further investigation.

You can also view scatter plots to analyze the money flow and identify any unusual patterns over specific time periods, and you can view automated money-tracing graphs that display potential paths for fund flows based on preceding and subsequent transactions. Once you identify transactions that need further scrutiny, you can easily flag them and collaborate with other users on the investigation.

The platform also helps you visualize comprehensive relationships across datasets. Simply choose any two party names, and the platform generates an automated relationship graph. This graph distinguishes between direct and indirect relationships, revealing intermediary connections that are notoriously hard to spot through traditional methods.

## The result

Using these advanced features, our team efficiently accessed and analyzed all dataset transactions through our streamlined platform. We were able to trace major money flows between various parties, identifying not only the main parties initially highlighted by the client's teams but also uncovering additional parties.

As a result, **Sedra Solutions quickly discovered an additional 15 bank accounts** associated with the perpetrator's network of companies in various jurisdictions. Because of the complexity of the connections, these insights would have been extremely difficult to identify through traditional methods and would have taken several weeks instead of days. Not only did we save our client a tremendous amount of time and effort, we vastly increased the scope of the case.

To learn more about how Sedra Solutions can help you streamline your financial investigations, visit us at:

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