

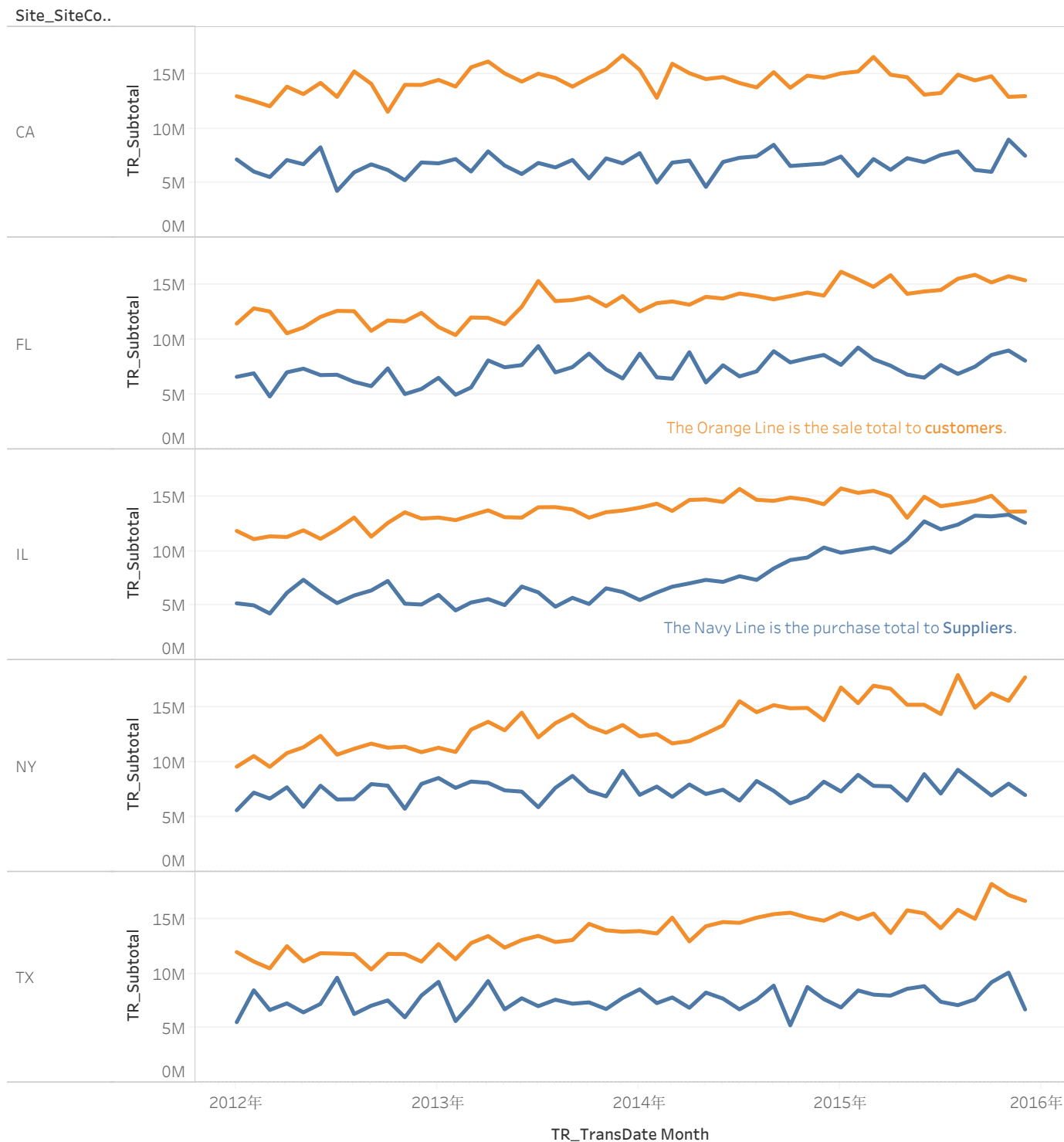
# Q3 Kickback Fraud Analysis

What are the subtotals of four sites over years?

Is there anything strange with them?

Which leads to ...

## Subtotal Over Years



# Q3 Kickback Fraud Analysis

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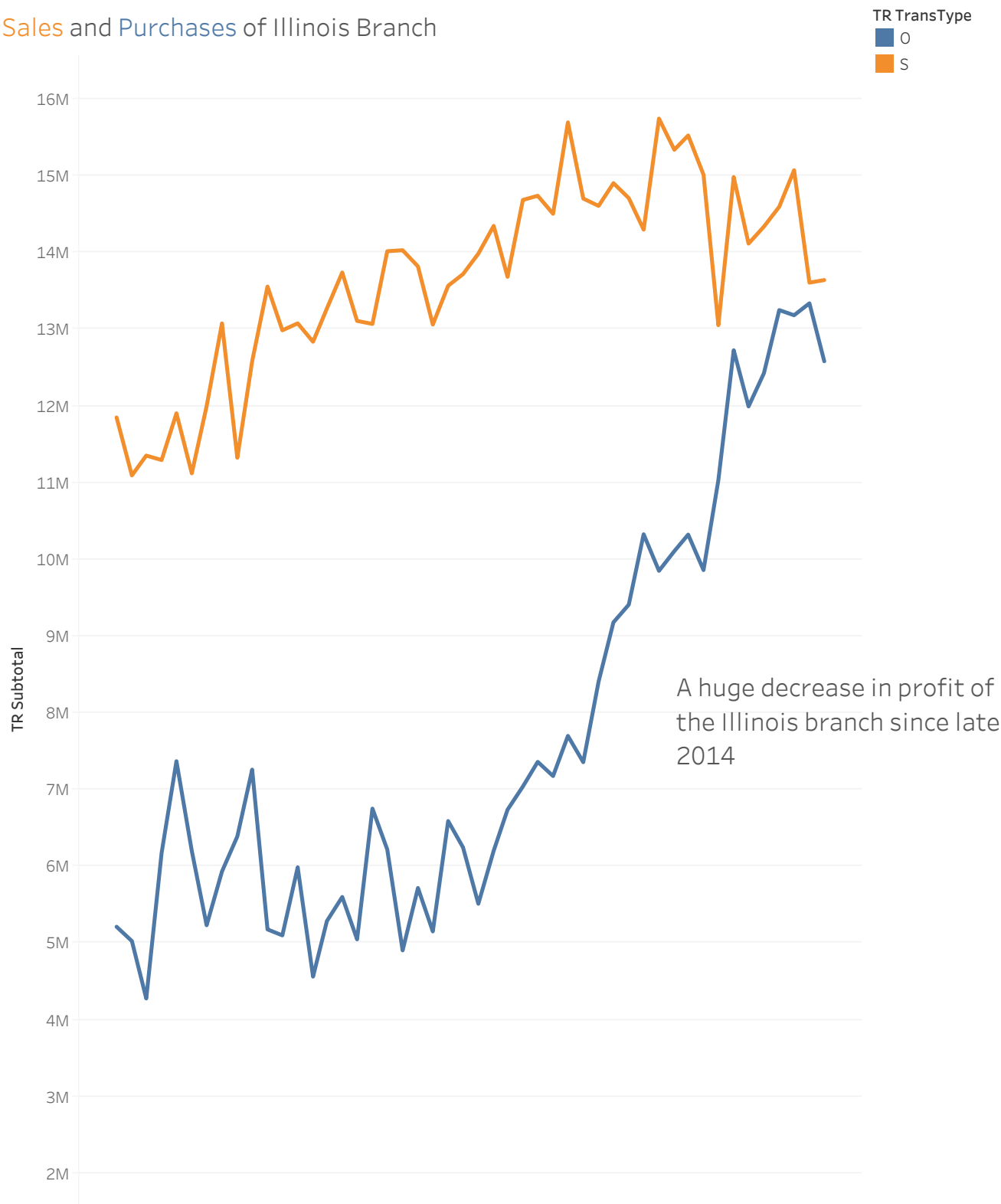
# Q3 Kickback Fraud Analysis

Is there anything strange with them?

Which leads to ...

Which employee is the most responsible one?

Sales and Purchases of Illinois Branch



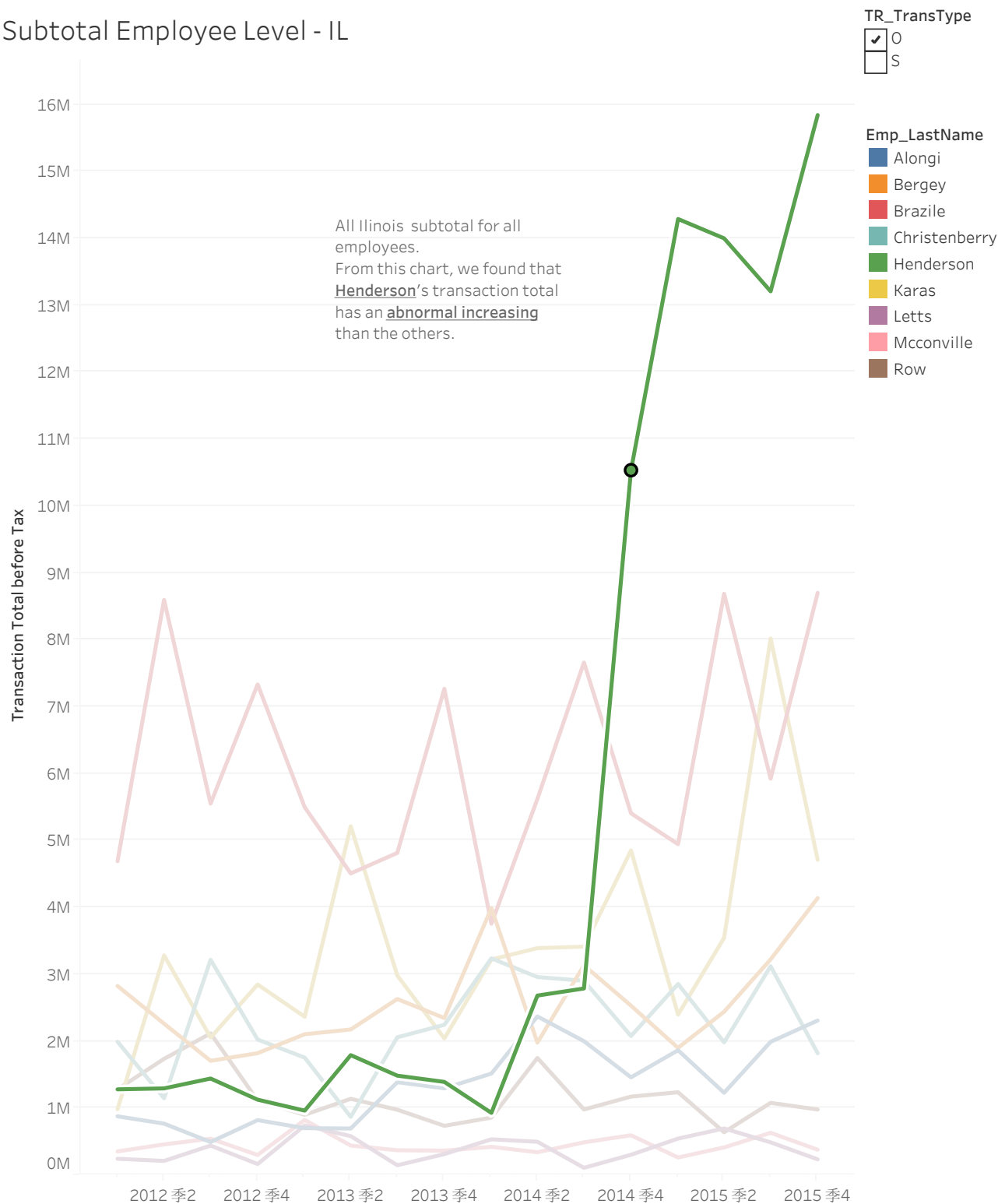
# Q3 Kickback Fraud Analysis

Which leads to ...

Which employee is the most responsible one?

While the spendings of product managers of other sites are fairly consistent.

Subtotal Employee Level - IL

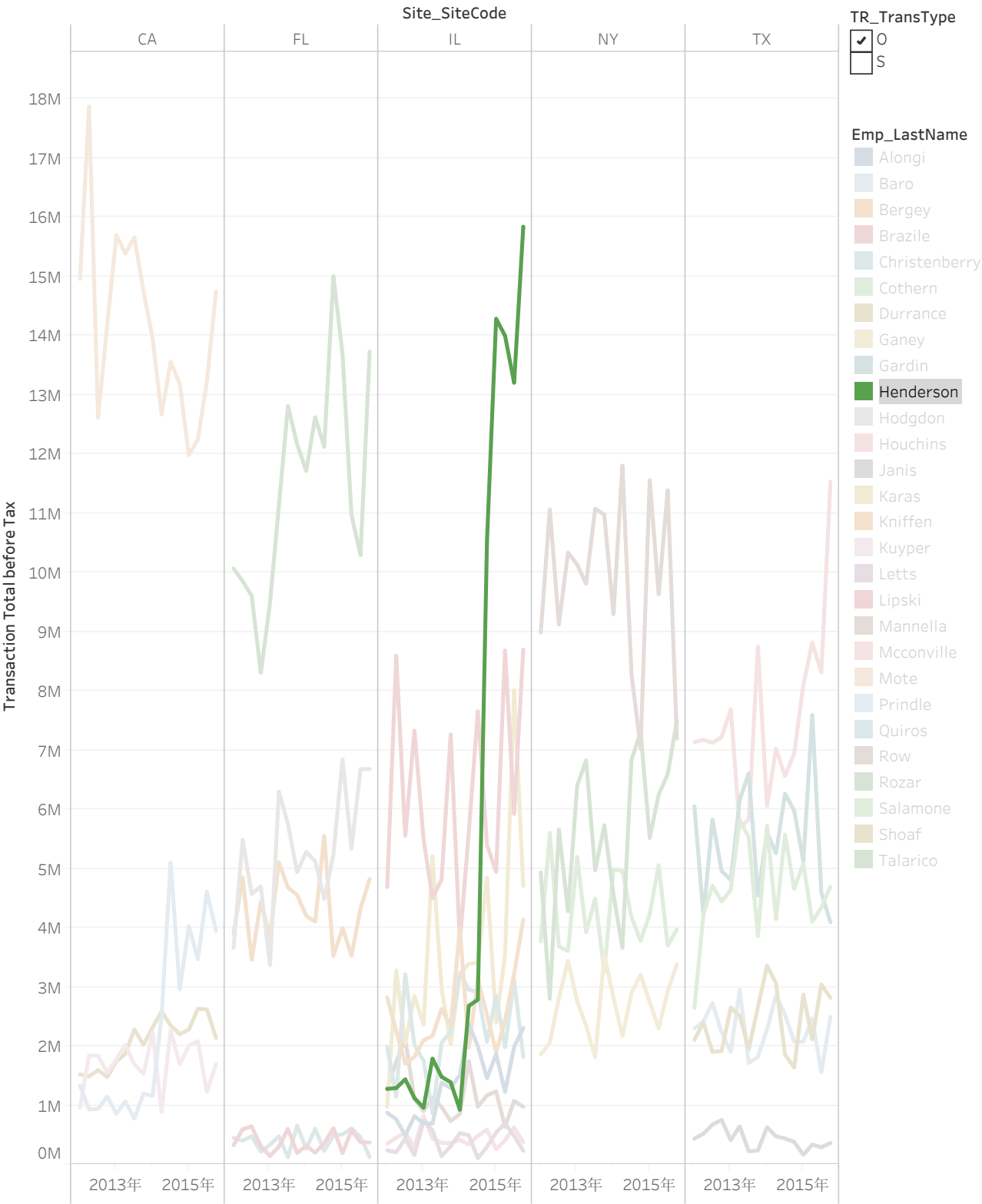


# Q3 Kickback Fraud Analysis

Which employee is the most responsible one?

While the spendings of product managers of other sites are fairly consistent.

A break-down on Henderson’s spending

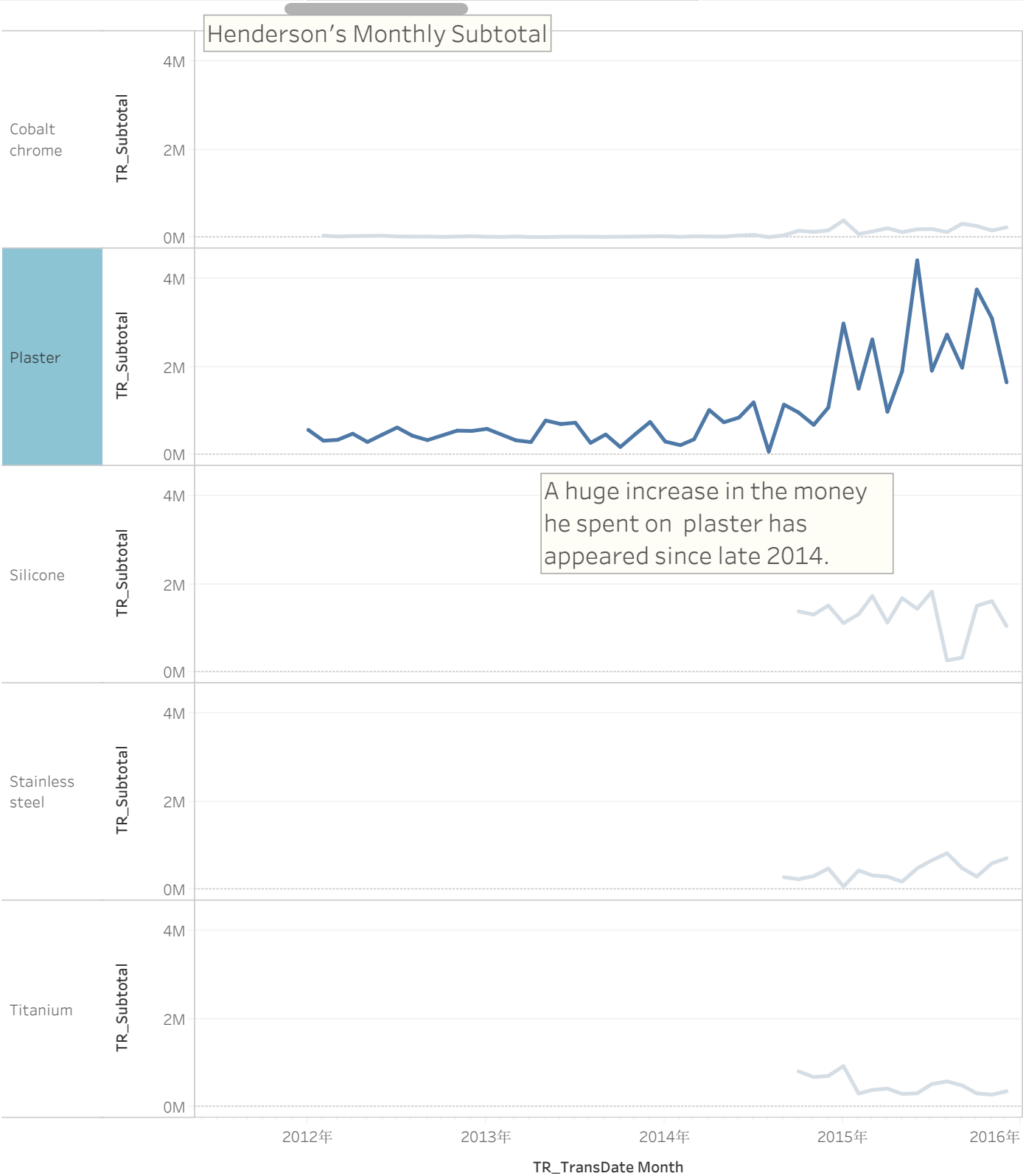


# Q3 Kickback Fraud Analysis

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A break-down on Henderson’s spending

Is there anything suspicious with the quantities of what Henderson bought?

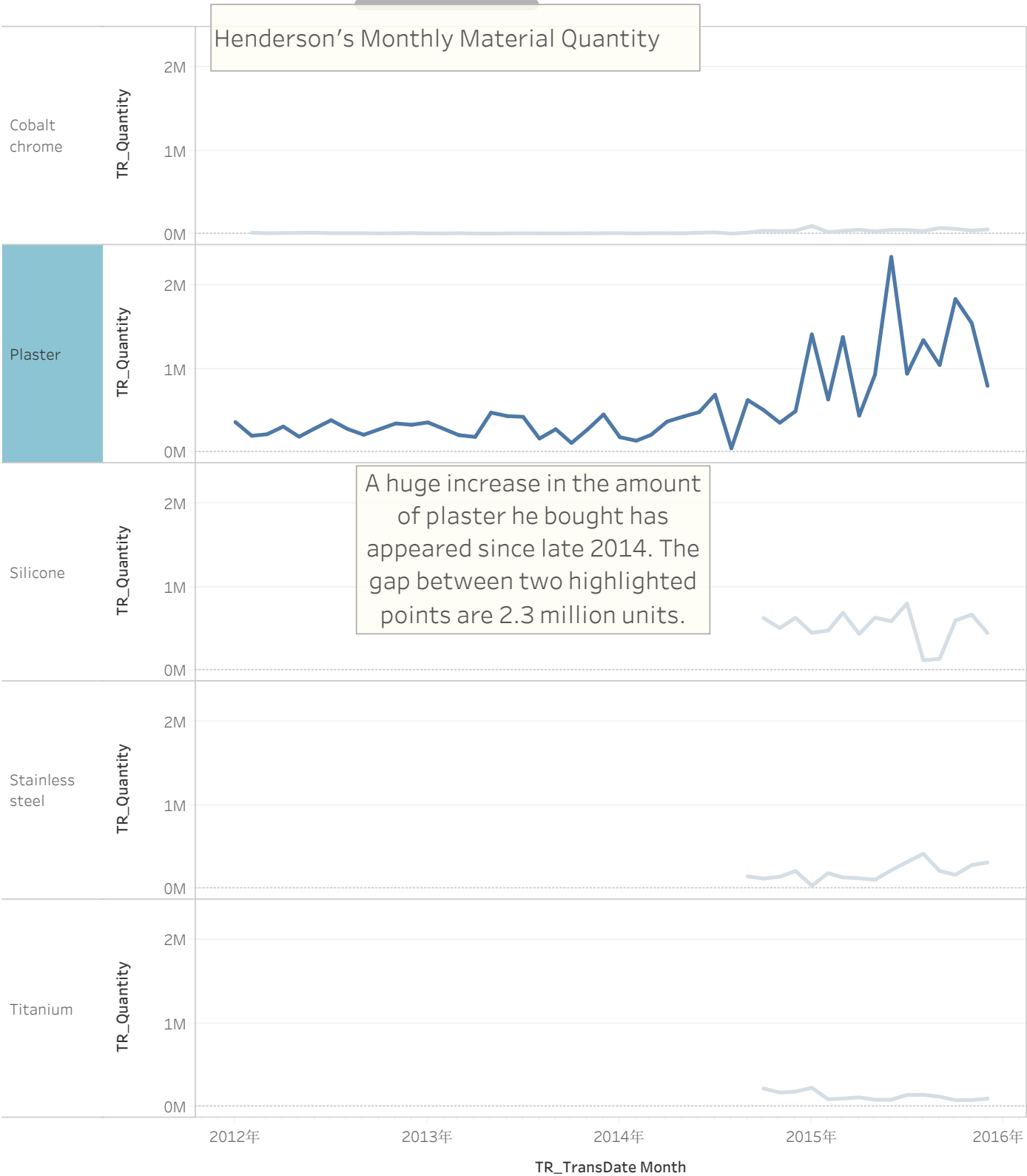


# Q3 Kickback Fraud Analysis

A break-down on Henderson's spending

Is there anything suspicious with the quantities of what Henderson bought?

A break-down on Illinois branch's inventory changes



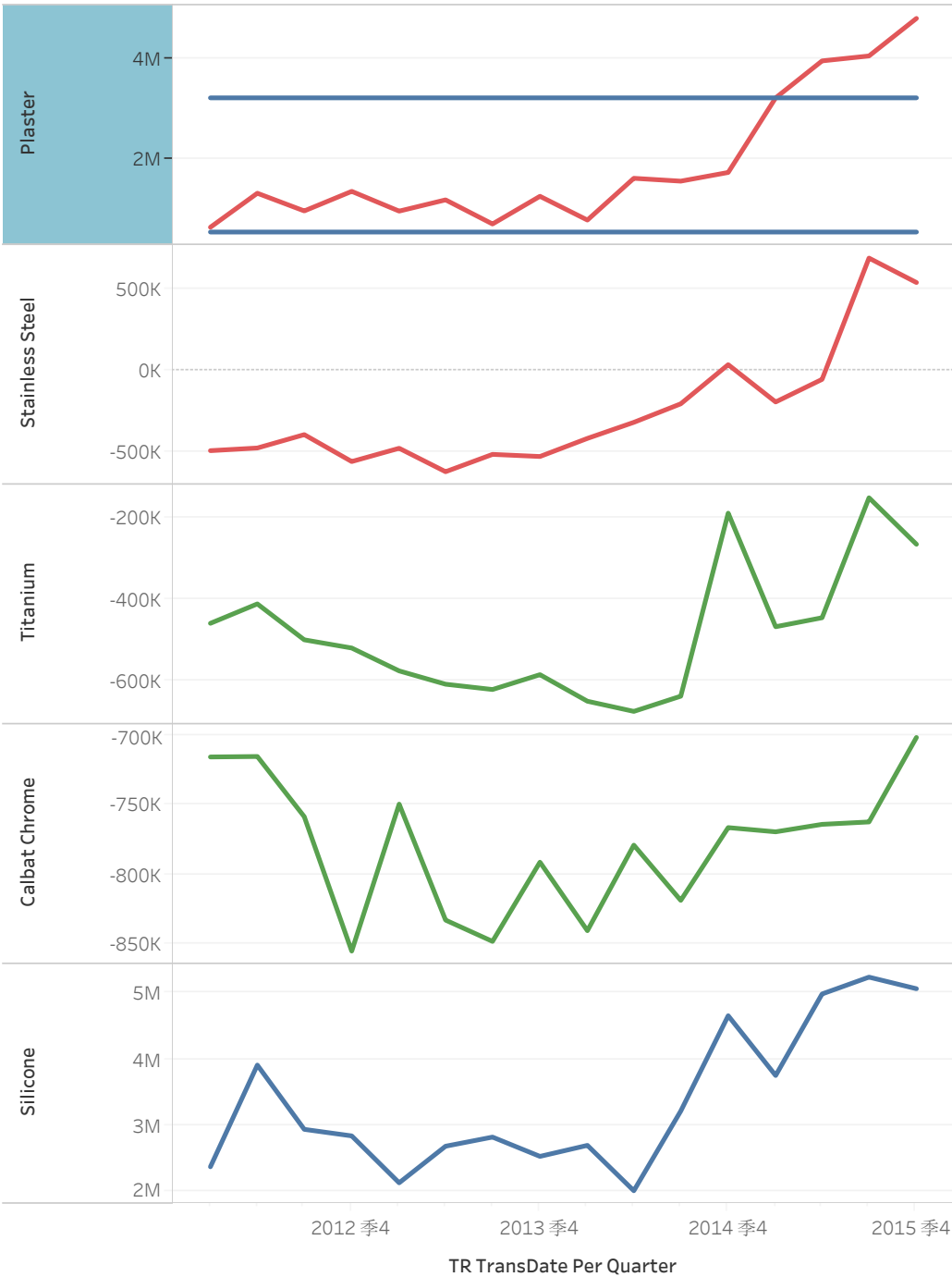
# Q3 Kickback Fraud Analysis

Is there anything suspicious with the quantities of what Henderson bought?

A break-down on Illinois branch's inventory changes

The inventory change of Stainless Steel also exceeded the controlled level.

Inventory Changes Chart



Henderson contributed the most part of Illinois branch's increasing plaster inventory level and the inventory change of plaster has clearly exceeded the controlled level.

The inventory changes for **Plaster** and **Stainless Steel** is increasing, which means that the site does not need these materials after around the second quarter in 2014. However, according to Henderson's purchase record, he still purchases a lot **Plaster** and **Stainless Steel** which means that he might benefit from a potential kickbacks from some of his suppliers.

Also, the inventory changes for **Titanium**, **Calbat Chrome**, and **Silicone** are either relatively consistent or increases a relatively small amount, so it is normal if at that time Henderson buy more these materials.



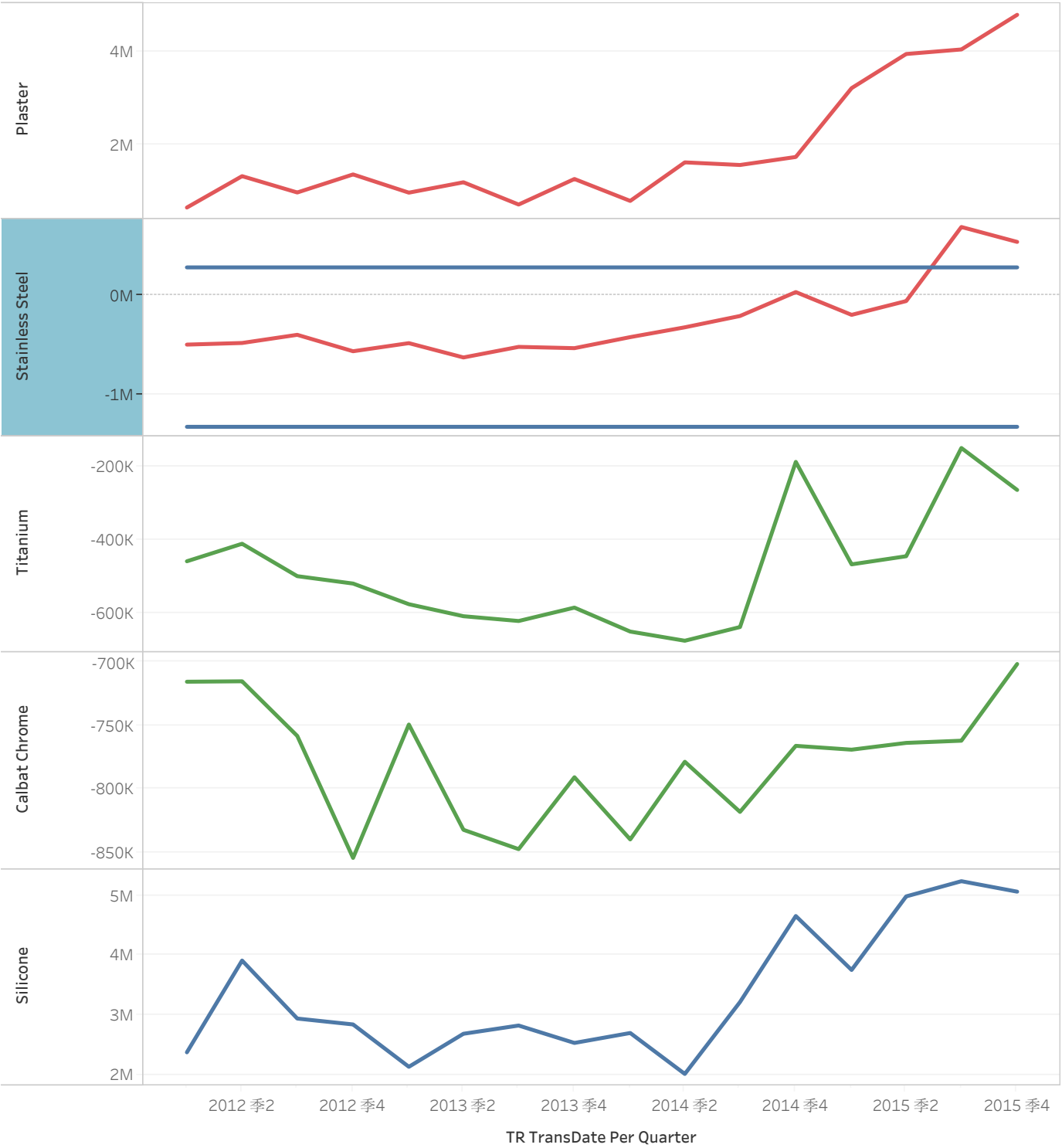
# Q3 Kickback Fraud Analysis

A break-down on Illinois branch's inventory changes

The inventory change of Stainless Steel also exceeded the controlled level.

Although the change in quantity of Silicone seems large, it actually falls in the controlled region.

Inventory Changes Chart



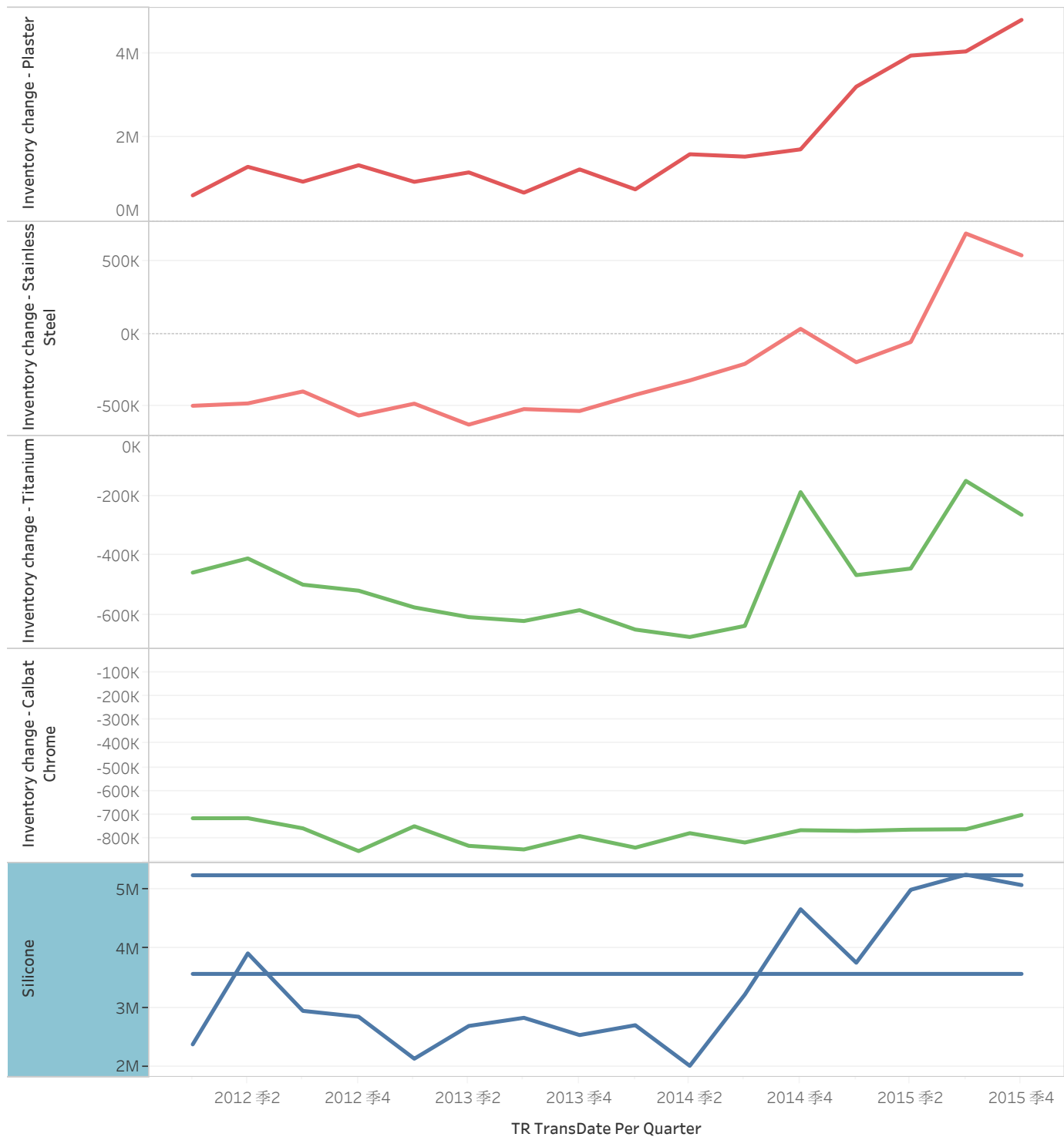
# Q3 Kickback Fraud Analysis

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How was Henderson's spending compared with the company's average spending?

Inventory Changes Chart

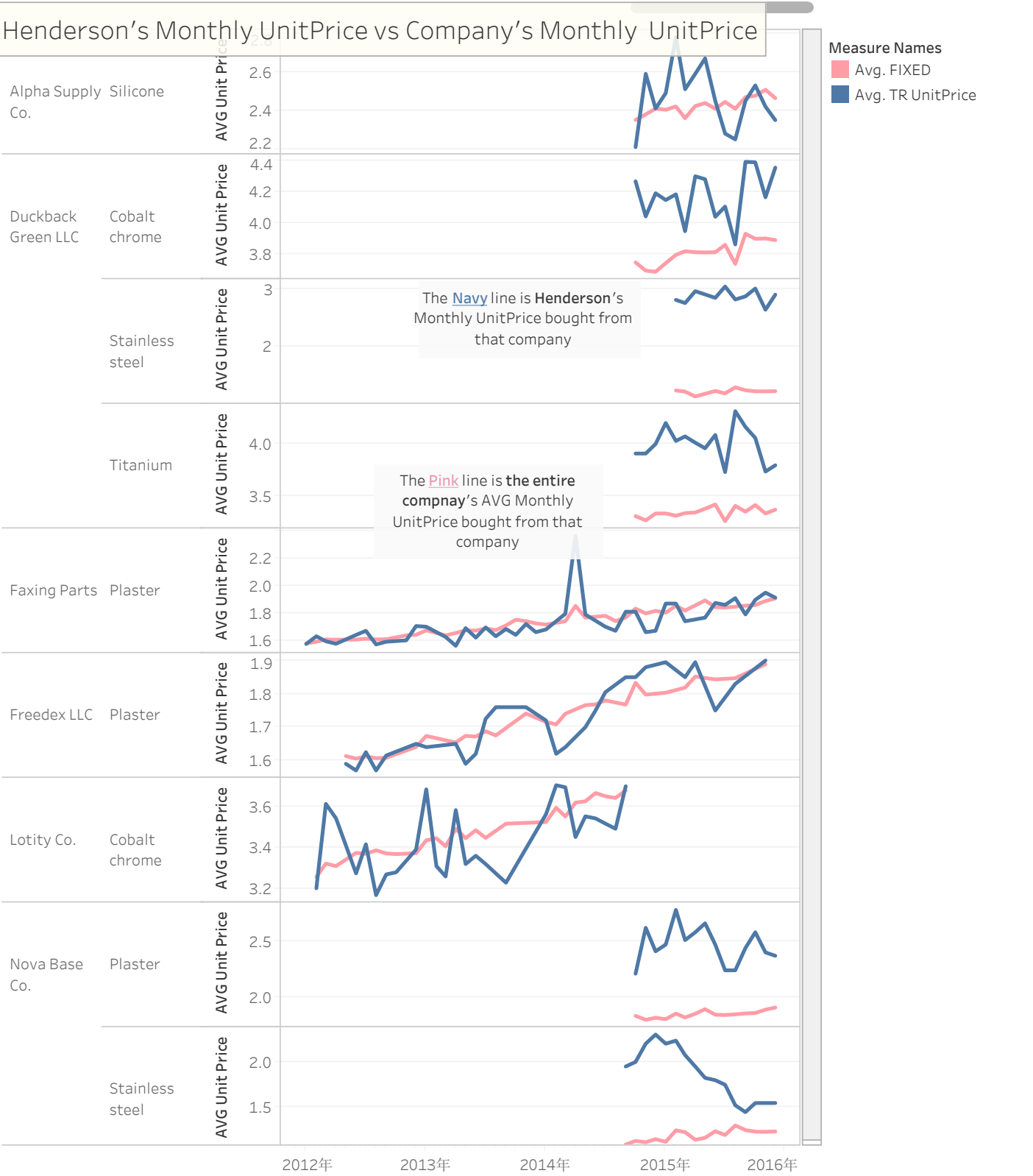


# Q3 Kickback Fraud Analysis

Although the change in quantity of Silicone seems large, it actually falls in the controlled region.

How was Henderson's spending compared with the company's average spending?

Henderson purchased materials at unit prices higher than the market averages.



# Q3 Kickback Fraud Analysis

How was Henderson’s spending compared with the company’s average spending?

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Another Perspective

Henderson’s Monthly UnitPrice vs Company’s Monthly UnitPrice



We can tell from the chart that, Henderson paid higher unitprice to Duckback Green LLC and Nova Base Co.. He purchased Cobalt Chrome, Staniless Steel, and Titanium at Duckback Green LLC with higher price, and Plaster and Stainless Steel at Nova Base Co.

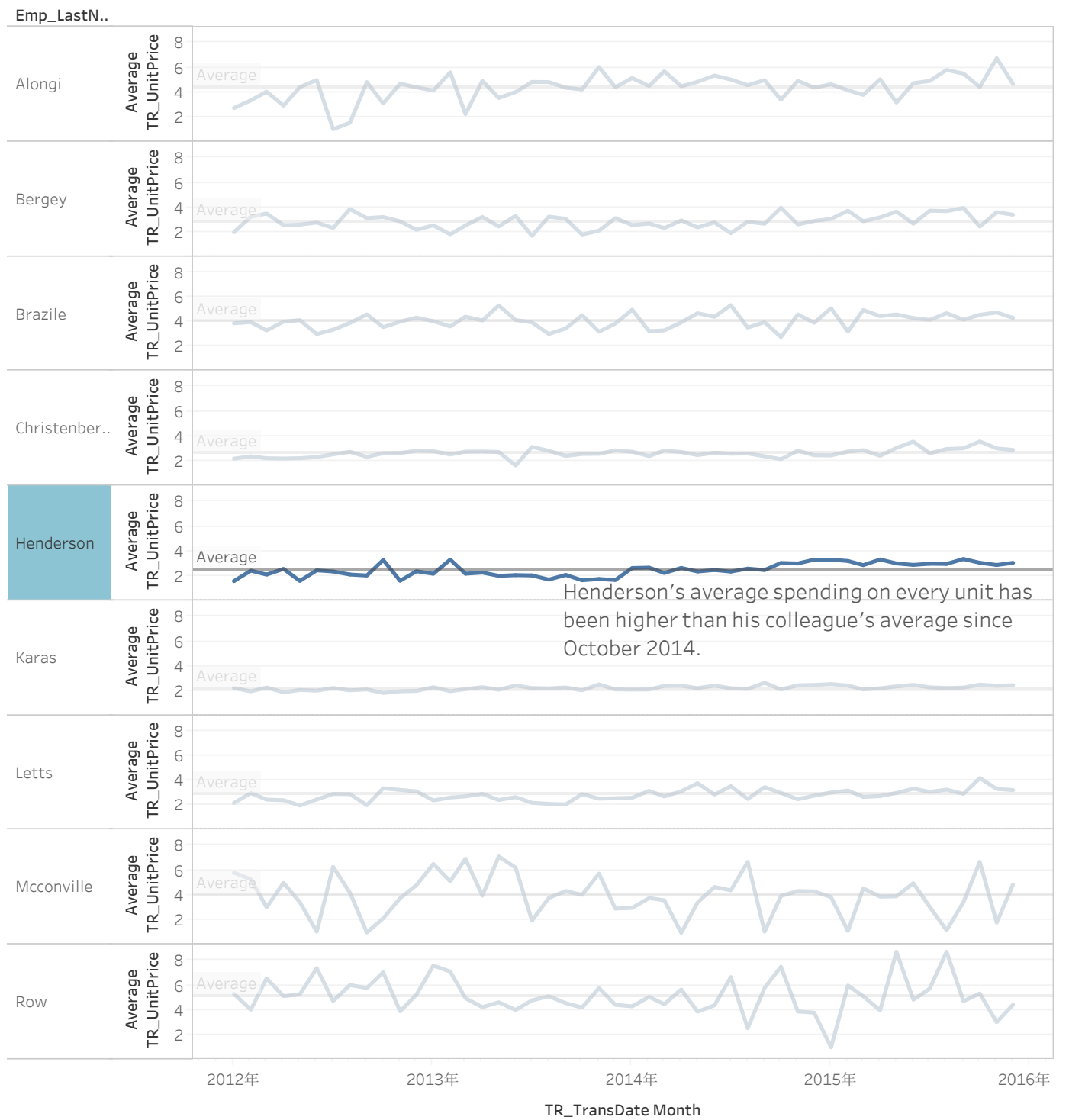
# Q3 Kickback Fraud Analysis

Henderson purchased materials at unit prices higher than the market averages.

Another Perspective

A break-down on the materials bought by Henderson from each supplier.

## Emp Unit Price Ovr Time

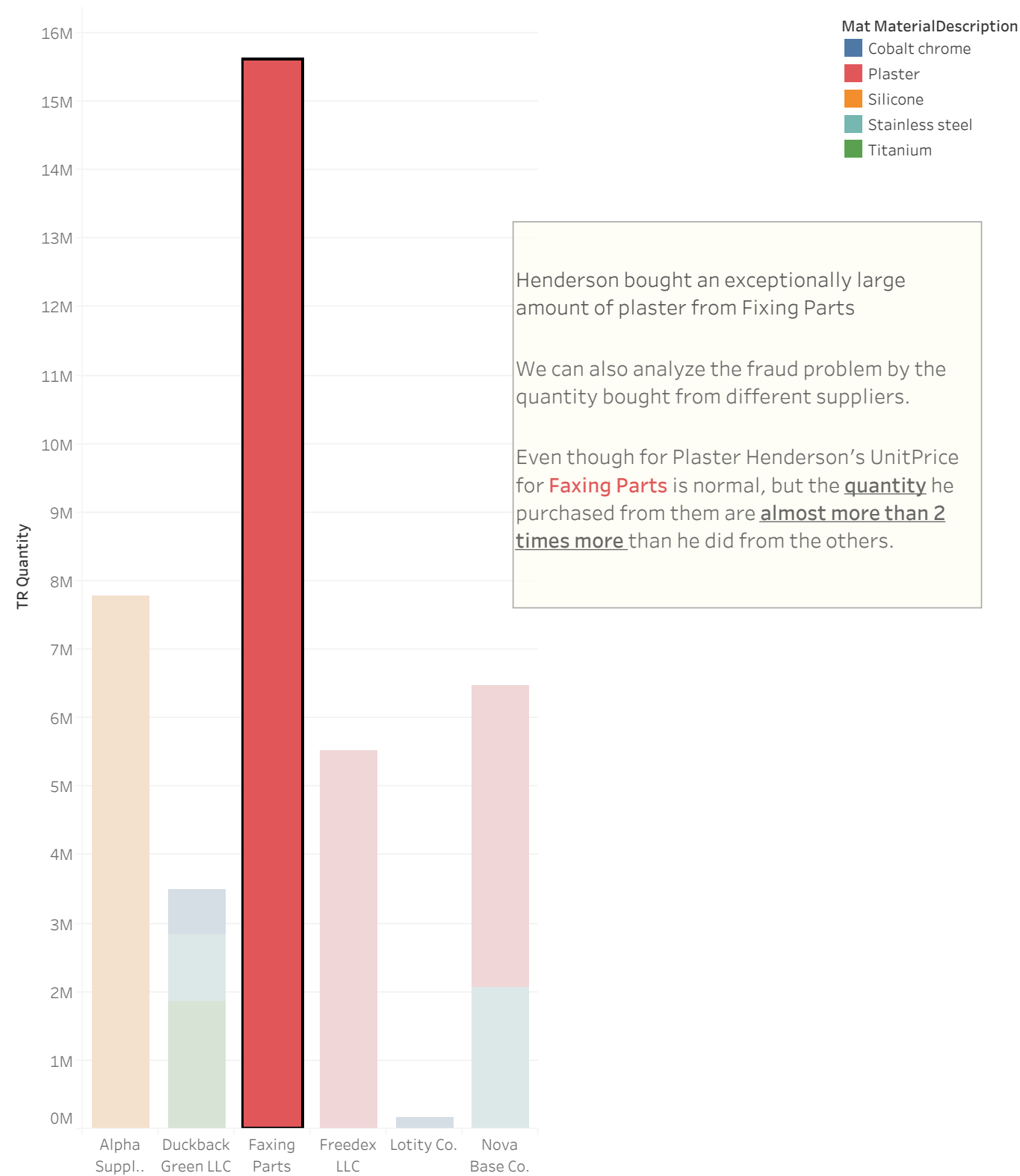


# Q3 Kickback Fraud Analysis

Another Perspective

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Conclusion



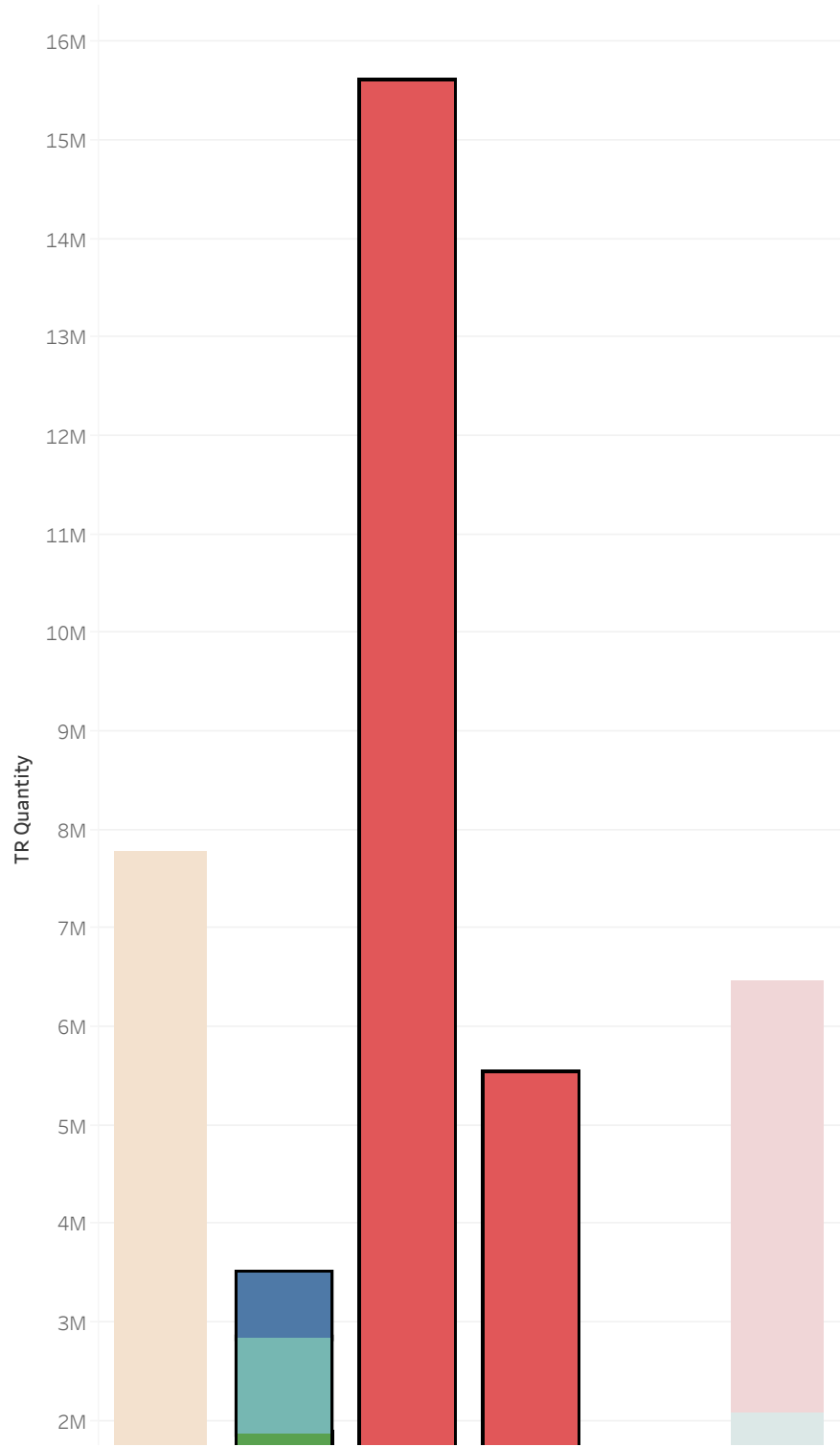
# Q3 Kickback Fraud Analysis

Another Perspective

A break-down on the materials bought by Henderson from each supplier.

Conclusion

Quantity from Diff Suppliers - Henderson



\*Summary

- We found that **Illinois** spent too much money on purchasing materials.
- For all employees in Illinois, we found that **Henderson** spent too much money monthly compare to others.
- Then we found that Henderson bought **Cobalt Chrome, Staniless Steel, and Titanium at Duckback Green LLC** with higher price, and **Plaster and Stainless Steel at Nova Base Co.**, especially when the company did not need these materials.
- Also, he bought abnormally too much Plaster from Faxing Parts.

--> Then we could conclude that **Henderson**, a employee from Illinois, is the key in this kickback fraud issue with the suppliers **Duckback Green LLC, Nova Base Co., and Faxing Parts** being parts of it.