

The New Forensics; Investigating Corporate Fraud and the Theft of Intellectual Property by Joe Anastasi, Hoboken, New Jersey: John Wiley & Sons, Inc., 2003, ISBN 0-471-26994-8, \$29.95, pp. 270. Review by Alexei Tymoczko.

“To prove the theft of high-tech intellectual property, the investigator is required to engage in high-tech sleuthing. The use of computers by the intelligence community to collect the information needed to perform their job, however, is of another order of magnitude altogether.” (p.206)

Joe Anastasi, the Global Leader for Deloitte & Touche’s Forensic Investigations practice, sets out the practice, pitfalls, and products of the process of investigating corporate fraud and intellectual property theft. The New Forensics is a very accessible introduction into the world of corporate fraud, combining a narrative of an actual investigation (with fictionalized names) with explanations of well-known scandals and investigations. Mr. Anastasi also presents the reader with a basic description of the technologies involved in these investigations, including both descriptions of the inner-workings of technology, and descriptions of the physical nature of an investigation of corporate fraud. Hiding behind the scenes of the book is the frightening reality of the capabilities of investigation tools: the latest software designed to detect fraud and theft created by the NSA can be run on all of their own equipment without detection by their own tools. (p.220) The tools that can be used to fight fraud and theft can also be used to systematically spy on virtually anyone.

Mr. Anastasi has worked for 28 years investigating corporate fraud and the theft of intellectual property. Although he is not, by admission, a technological expert, he does have the

experience of a practiced investigator. The result is a book which targets readers who do not have investigation experience or familiarity with complex investigations and complex technology. In addition, *The New Forensics* is aimed at an audience without any advanced familiarity with corporate or intellectual property investigations. Therefore, the book is extremely engaging and accessible from its first pages.

*The New Forensics* is an extremely enjoyable read which is designed to explain complex issues to a reader without a technological or corporate background. The style complements the goal - the book is generally broken down into three types of chapters. The over-arching narrative is of an actual investigation of corporate fraud concerning a company given the fictionalized name of Morgan Fay. These chapters give a detailed explanation of the process of corporate investigation, including the methods of gathering evidence, the inevitable conflicts with company personnel, and the other problems which surround corporate investigation. The second group of chapters discusses and explains various high-profile cases involving advanced investigation: Enron, Marjorie Knoller and Robert Noel (The Dog-Mauler case), Nicodemo Scarfo, WorldCom, dormant Swiss accounts of Holocaust victims, and even Osama bin Laden. These chapters describe the techniques involved in both perpetrating crimes and fraud, and the actual process that discovered what had happened. The final set of chapters goes into further detail in the technology involved in the investigation of corporate fraud.

The main strength of *The New Forensics* is an entertaining and engaging description of corporate fraud and theft of intellectual property. Anastasi gives the reader great detail into the basic process of a corporate investigation. He adeptly describes the sheer volume of material presented in a standard investigation: hundreds of boxes, containing thousands of documents. In addition, he explains the difficulty of investigations using his underlying narratives and the

discussed high-profile cases. The same investigators who research corporate fraud applied their techniques in discovering the beneficiaries of Swiss dormant bank accounts; accounts which were 60-80 years old, without extensive numbers or identification, and with little remaining explanations on the part of the banks involved. (p.160) The sheer volume of material combined with fraud where individuals destroy or hide documents compound the problems of investigation. The New Forensics lays out the methodology used to retrieve documents and discover what was hidden. Furthermore, Mr. Anastasi manages to communicate the ordeals faced by an investigator in an extremely engaging format.

Although the narrative of the book, particularly the focus on the actual procedure of an investigation, is very interesting, the technological discussion is less enjoyable. In contrast to the descriptions of procedure, some of the technological explanations are inadequate or uninteresting. Some conclusions are less than satisfactory: for example, in describing Benford's Law, which details a logarithmic description of the frequency of numbers (digits) in financial statements, Mr. Anastasi suggests that the "startling" conclusion of Benford's Law is that the chance of 1 specific number between 1 and 1000 being selected is 1 in 1000.<sup>1</sup> (p.185) The result of such statements cast doubt on the exact quality of complex explanations, but the nature of the book mitigates this danger. The author, often writing from the first-person, makes clear what areas he is uncomfortable with and therefore often provides overviews which are satisfactory.

The New Forensics often glosses over some of the more interesting details of corporate investigations. Mr. Anastasi reserves mention of some of the more interesting technological inventions to the last chapter of the book and fails to adequately describe them. In addition, the

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<sup>1</sup> In other words, the chance of the number 111 being picked randomly from a set of number from 000 to 999 is 1 in a 1000. The reader will reflect that any number from 1 to 1000 should naturally occur once in a 1000 instances. Benford's Law actually applies to the frequency of digits (1-9) appearing in the first position of a number. A.

legal aspects of evidentiary use are often minimized.<sup>2</sup> In particular, the legal and moral ramifications of extremely sophisticated software designed to detect employee misbehavior is generally left unmentioned. The New Forensics mentions two programs, *Echelon* and *Silent Runner*, which have the capability to monitor virtually all forms of communication on both global and local bases. (p.208, 210) *Echelon* monitors global communication and possesses the capability of intercepting “nearly every wireless communication sent at any moment around the globe.” (p.208) *Silent Runner*, designed to recognize hacker threats and protect computer networks, can also monitor general employee activity. (p.222) The scope of these programs is astounding, and unfortunately The New Forensics does not address the moral implications of programs which can monitor individual activity without any notification.

Ultimately, The New Forensics is an enjoyable book which gives provides basic information concerning the wide range of activities involved in corporate investigations. Those readers with business experience may not be satisfied with the economics explanations, but the details concerning technological instruments and inventions should be useful. Similarly, those readers with technological experience may find the business or practical descriptions of the investigations very useful. Although the book lacks an academic formality, the ease of the writing allows for a quick and enjoyable read. So although academic use of The New Forensics should be taken with a grain of salt, the book is a satisfying corporate “Raymond-Chandler” read.

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Bogomolny, Benford's Law and Zipf's Law, *available at* [http://www.cut-the-knot.org/do\\_you\\_know/zipfLaw.shtml](http://www.cut-the-knot.org/do_you_know/zipfLaw.shtml). In that instance, the digits are not represented equally, and 1 is by far the most common. *Id.*

<sup>2</sup> Some of this is due to the fact that he only examined cases where were complete, pled, settled, or very well-known.