

FORENSIC ACCOUNTING SERVICES

The Forensic Accounting Services practice of Alan Gray LLC engages in detailed analysis of accounting activity with a focus on risk and exposure evaluation. Effective solutions are provided to complex business problems that result in improved client profitability and minimized submitted loss exposures. The staff, comprised of Certified Public Accountants (CPAs) and Certified in Financial Forensics (CFFs) are skilled in evaluating claims within the framework of today's complex insurance coverages.

Forensic Accounting Services Can Include:

Business Interruption Loss Claims Analysis

- Determine continuing operating expense versus non-continuing expense coverage
- Differentiate period of indemnity from the period of interruption
- Define the appropriate multiplier for measurement purposes
- Review and analyze extra expenses
- Understand and calculate the impact of co-insurance

Fidelity Loss Reviews

- Audit and report on the existence of embezzlement and quantify losses
- Assess the adequacy of the systems of internal control
- Perform fraud prevention, detection and investigation analysis

Litigation Support

- Provide expert testimony
- Evaluate analysis, interpretations and strategies on financials and other data
- Establish business valuations
- Furnish discovery, trial and deposition assistance
- Assess case strategies and evaluations

Sample Engagements:

○ The Program Administrator developed, marketed, and administered product warranty contracts on behalf of a major US carrier for wireless devices. Alan Gray was retained to calculate the proof of claim amount related to the diversion of premium and loss funds by the Product Administrator. Through the review of premium and loss bordereau, bank statements, and associated financial reconciliations an amount in excess of \$12M calculated and billed to the Fidelity Bond carrier.

○ A large family owned commercial real estate company having significant properties in New Orleans experienced damage to multiple properties. The net settlement from the insurers exceeded \$100,000,000. Alan Gray was hired to compile the application of the insurance proceeds to the damaged properties. We obtained the respective construction contracts, change orders, job cost sheets, contractors' requests for payments and owner's banking information and were able to determine with reasonable certainty that all of the insurance proceeds received were expended in connection with repair and reconstruction.

○ A major international financial service company needed a forensic accounting review to quantify a misappropriation by a reinsurance broker. Over \$100,000,000 in misappropriated funds was identified and Alan Gray LLC's staff were instrumental in assembling the required support that led to a substantial recovery and prosecution.

○ A Florida company specializing in glaucoma diagnosis and treatment suffered a business income loss in 2004 due to hurricane Francis. The insured submitted a claim of \$1,172,000 that was examined and found to be overstated. This resulted in a settlement of \$541,000, a savings to the carrier of 54%.

○ A technology-based manufacturer in Rhode Island claimed an employee theft loss of \$1,100,000. The misappropriation was reconstructed and the claim settled for \$600,000 totaling a savings to the insurance carrier of \$500,000.

○ An apartment complex submitted a loss of rent claim of \$280,000 due to hurricane Katrina. A thorough evaluation demonstrated that the loss was only \$222,000. This resulted in a savings of 20% to the carrier.

88 Broad Street
Boston, MA 02110
Tel + 1 617.426.6255
Fax + 1 617.695.9084

New Address Coming Soon
New York, NY
Tel + 1 617.426.6255
Fax + 1 617.695.9084

201 Haddonfield-Berlin Road
Cherry Hill, NJ 08034
Tel + 1 800.468.6255
Fax + 1 856.229.7199

info@alangray.com
www.alangray.com