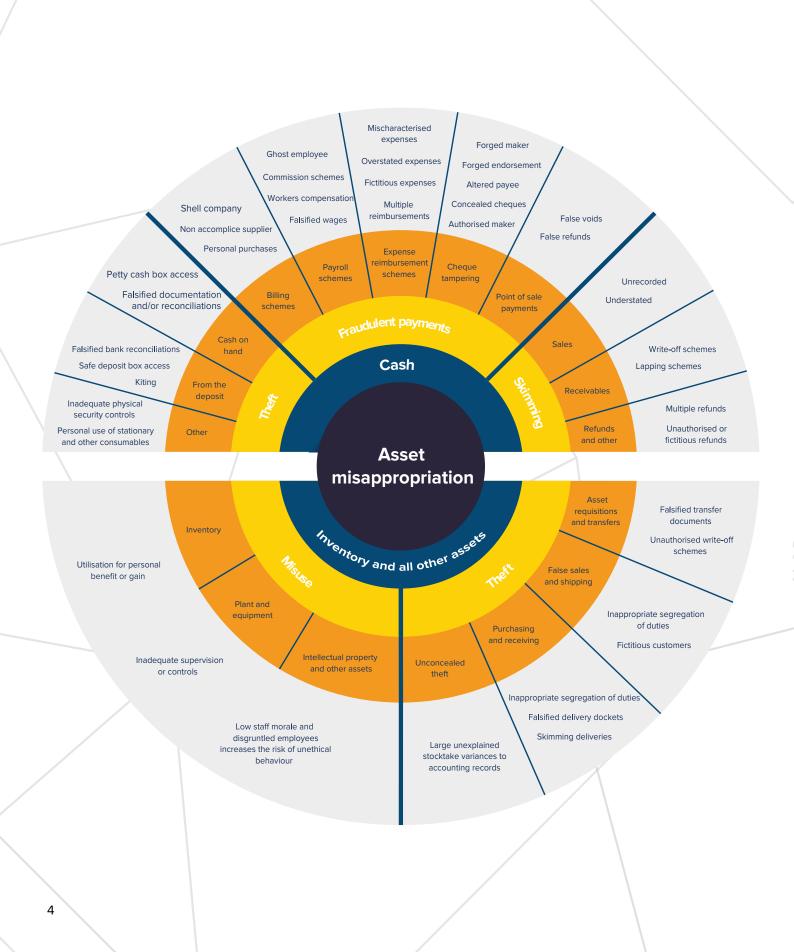
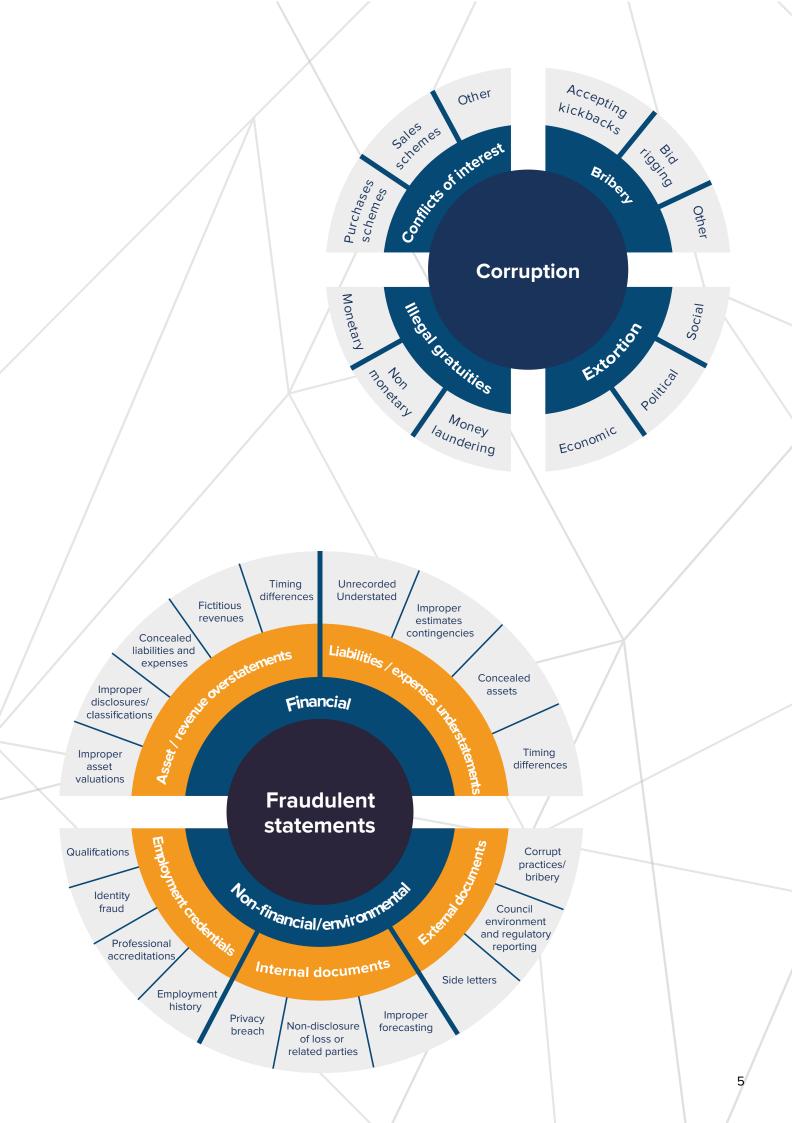


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THE WEB OF FRAUD





THE OVERVIEW

Are you a multinational company doing business in emerging markets, such as Turkey? To protect your investments in your foreign subsidiaries, you must promote ethical business practices and minimize the risk that fraud can occur and go undetected.

Fraud is a global problem. While anti-fraud controls can effectively reduce the likelihood and potential impact of fraud, the truth is that no entity is immune to this threat. Unfortunately, however, many organizations still suffer from an "it can't happen here" mindset. Responding quickly and efficiently to alleged or suspected fraud, misconduct or other improprieties such as violations of laws, regulations or organizational policies is critical.

Fraud is on the rise in Turkey causing significant losses to companies and putting some companies even out of business. According to the Transparency International Corruption Perception Index, Turkey is one of the riskiest emerging market. Fraud and corruption, including bribery, raise the costs and risks of doing business. It is important for foreign investors, irrespective of their size, to assess the business

climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect fraud, corruption, including foreign bribery.

Cerebra can respond quickly to allegations of fraud or misconduct in case wrongdoing is reported related to your Turkish subsidiary. Our team brings together the expertise and experience of forensic accountants, internal audit and risk management specialists to provide a fully integrated service.



FRAUD INVESTIGATION

A fraud investigation should be handled immediately in a systematic and efficient manner. Data needs to be identified, preserved and analyzed, intelligence gathered and reviewed and key individuals interviewed.



For companies facing whistleblower allegations, government inquiries, or other allegations regarding white-collar crimes and possible improprieties, a careful and quick fact-finding investigation is critical. To assess allegations, often enormous amounts of complex information need to be distilled into a readily analyzable form. Early action is crucial so that allegations can be appropriately vetted, wrongdoing can be assessed and addressed, strong ethics can be demonstrated, and steps can be taken to protect shareholder value.

How CEREBRA can help

Cerebra fraud investigators are prepared to rapidly respond to obtain the crucial information that managers and legal counsel require to decide the proper course of action. Our team works closely with clients to understand investigation objectives and coordinate our approach to utilize the appropriate resources. Through detailed inquiries and examinations, including the use of effective data analytic techniques, Cerebra work with our clients' legal counsel, executives, internal audit and compliance departments to establish truths, evaluate implications, identify appropriate criminal and/or civil remedial actions.

Cerebra's fraud investigation specialists possess the financial acumen, forensic accounting, investigatory skills, and technological know-how to conduct effective corporate investigations spanning many levels of scope and complexity.

FRAUD INVESTIGATION

FORENSIC ACCOUNTING TRANSACTION ANALYSIS



- Investigate known or suspicious fraud or financial irregularities by examining business records, journal entries and supporting documentation through using our expansive knowledge of accounting
- Determine the facts surrounding complex financial matters
- Assess red flags and anomalies identified as result of both interviews and data analytics and make further investigation
- Seize digital and physical admissible evidence for use in a court of law
- · Quantify identified fraudulent transactions
- Piece together incomplete or deliberately falsified financial records
- Calculate losses and economic damages



BUSINESS INTELLIGENCE

- Search a wide range of public information (including publicly available online material)
- · Investigate beneficial relationships
- Conduct multi-lingual internet, media and social media and blog research reference checks
- Use our extensive network of "people who know," internally through our network, but also former journalists and in-country industry specialists
- Leverage our industry and market knowledge



eDISCOVERY

- Process, search and analyze all available electronically stored information in a timely and cost-effective manner
- Use visually-based review platform streamlining data search and allows our team to work with speed and accuracy



FORENSIC DATA ANALYTICS



- Understand structured and unstructured data (data source, file formats, business process owners, and key systems etc.)
- Connect to data from many different sources and centralize them in one platform
- Use advanced analytics through our document review platform to focus on the relevant documents quickly
- Search and analyze the company's entire raw data for red flags of possible fraud
- Run targeted tests on structured data sets of any size to identify anomalies and patterns through using data analysis tool
- · Reconstruct accounting records
- Combine output with information and evidence gathered elsewhere, to verify the fact pattern and establish any discrepancies that need to be further investigated



COMPUTER FORENSIC



- Seizure and analyze electronic data (files, emails etc.) using a methodology which ensures its admissibility as evidence in a court of law in covert investigations where much information can be drawn from a suspect's personal computer without alerting him/her to an investigation
- Use forensic image software to take an exact copy of a 'target' computer system and recreate the original system from this image, ensuring that all digital data has been handled within the legal principles of security, continuity and accountability
- Recover deleted, hidden or maliciously or accidentally damaged data from hard drive
- Ensures both the integrity of the target system and the integrity of seized evidence
- Cerebra offers computer forensic services to clients through trusted subcontractors

REPORTING



- Quantify the loss, set out the relevant issues, present and explain any accounting concepts in the context of fraud
- Produce a full independent expert report for key stakeholders (e.g. head office board and management, local senior management, legal advisors, regulators or the court) based on our investigation
- Provide information to assist inhouse legal counsel and outside lawyers on the appropriate case strategy and advise on possible next steps
- Prepare a report stating recommendations related to internal controls and other organizational failings to management

INTERVIEWS



- Conduct an objective interview aiming at gathering information in a fair and impartial manner
- Develop a plan to effectively prepare for the interview phase of an investigation
- Determine what information is relevant and should be sought
- Contemplate what the interview is intended to accomplish and state an objective
- Establish a clear concept of what information might be obtained from each of the potential witnesses, as well as the best strategy to go about obtaining it

SUPPORTING PROSECUTION



- Become an important member of the prosecution team by helping assess evidence of financial wrongdoings and by advising the client and counsel
- Work closely with the client's lawyers to support legal strategy
- Point out weaknesses in the evidence and possibly suggest alternative investigative procedures to lawyer to mitigate any risks that have been recognized
- Ensure that investigation is carried out in accordance with the proper rules of evidence and remains well within the guidelines established by the legal systems with the assumption that the case will end in litigation.
- Give expert testimony in court trials

ANTI-FRAUD CONSULTING

Fraud can happen anywhere and is the reality of business life, affecting businesses of all sizes and across all industries. While no system is completely foolproof of preventing fraud, proactive actions can be taken to deter fraud, making it difficult and much less attractive to commit.



Fraud Prevention Programs

Fraud deterrence, detection and prevention require a system of rules, which, in their aggregate, minimize the likelihood of fraud occurring while maximizing the possibility of detecting any fraudulent activity that may transpire. The potential of being caught most often persuades likely perpetrators not to commit the fraud. Because of this principle, the existence of a thorough internal control system is essential to fraud prevention.

Fraud Risk Assessment

There are many things that organizations can and should do to minimize the risk that fraud can occur and go undetected. A fraud risk assessment can be a powerful proactive tool in the fight against fraud for any business.

Regulators, professional standard-setters, and law enforcement authorities continue to emphasize the crucial role that fraud risk assessment plays in developing and maintaining effective fraud risk management programs and controls.

Fraud Risk Management

All organizations are subject to fraud risks. Large frauds have led to the downfall of entire organizations, massive investment losses, significant legal costs, imprisonment of key individuals, and erosion of confidence in capital markets. The key to mitigate this risk is to be consciously aware of and realistic about the organization's weaknesses. Only then can

Only then can management establish mechanisms that effectively prevent or detect fraudulent activities. In fact, it is those organizations that deny the true possibility of fraud that are placing themselves at the greatest risk.

How CEREBRA can help

Our integrated approach helps organizations to understand their susceptibility to fraud risks, identify high-risk fraud areas, develop a fraud control plan to address areas of critical fraud risk, monitor the ongoing effectiveness of fraud risk mitigation, and respond to actual instances of fraud.

Cerebra utilizes ACFE's fraud risk management methodology to assist clients in their continuous efforts to prevent, detect and respond to fraud and misconduct through the design, implementation, and evaluation of applicable programs and controls.

We divide anti-fraud program into three headings:

- Prevent instances of fraud and misconduct from occurring
- Detect instances when they do occur
- Respond appropriately and take action when fraud occur

DISPUTE ADVISORY

At some point in your business you may find yourself involved in a legal dispute over money and challenging accounting disputes. That's when you need independent, robust and clear opinions which can be very important to the outcome of your case.

If your company is pulled into litigation involving your financial records or requires fraud investigative work, Cerebra's experienced forensic accounting experts can assist you. As a result of the industry knowledge our professionals possess, our firm provides forensic accounting services, conducts fraud investigations, calculates damages, assists counsel, and advises throughout the litigation process.

Our scope and work plan are dependent upon the facts and circumstances of the case. Cerebra brings forensic accounting and expert witness services under one roof for a comprehensive approach that looks beyond the numbers to explain the realities of economic and business matters.

Our experienced team provides valuable insight and clarity, helping clients during every stage of a contested matter, from early case assessment and discovery to case strategy, damages analysis and settlement services. Our senior professionals are highly skilled at communicating our findings through expert testimony in various settings, including courts as well as in arbitration.

Our dispute advisory services include the followings:

Commercial Disputes

Cerebra helps assess and calculate economic damages (such as lost profits, unjust enrichment or diminution in value) related to contract, distributor, joint venture and franchise disputes. We provide research and analysis of regulatory, organizational, and competitive actions on market and firm performance.

Expert Witness Services

Once a litigation process starts, you may end up in court despite your best attempts at settlement. That's when an expert witness providing independent, robust and clear opinions can be very important to the outcome of your case. You need an expert who can understand the particulars of your claim as well as the complexities of contentious issues such as loss of profits, wasted expenditure, contractual disputes,

professional negligence and contingent loss claims. Our team works in collaboration with international and local lawyers so that we can support you before international arbitration tribunals and across jurisdictions, if needed.

Areas where we can help you include:

- · Analyzing complex financial issues
- Opining on IFRS (International Financial Reporting Standards) or US GAAP
- · Quantifying loss and damages
- · Valuing businesses or shareholdings

International Arbitration

Our team has significant experience providing expert evidence in International Arbitration proceedings such as under the International Chamber of Commerce (ICC). Our team can provide expert advice on challenging accounting matters on complex international disputes.

Merger and Acquisition

We provide assistance to resolve post acquisition or shareholder disputes mainly originated from the interpretation of sales and purchase agreements.



TRANSACTION FORENSICS

Investments in emerging markets, like Turkey, increase through globalization. Global reach and increased cross-border transactions present significant fraud and corruption risks requiring careful consideration.

Cerebra provides forensic services designed for the mergers and acquisitions in both pre-acquisition and post-acquisition phases of a transaction.

Pre-acquisition

Before entering into a transaction, business risks of the target company should be understood to minimize potential loss of value to the acquirer. Therefore, a proportionate analysis regarding the risks of fraud, bribery and corruption, money laundering, restrictions on trade and export, related-party transactions, conflicts of interest and regulatory actions is crucial.

Post-acquisition

After the deal is done, parties can have disputes over misunderstanding or uncertainties related to valuations and earn outs. Parties can avoid disputes and ease the process of purchase integration with the appropriate post-closing risk mitigation.

How CEREBRA can help

We support our clients in the following areas:

- Background investigations using open source data including corporate registry databases, social media etc.
- · Technology enhanced electronic data review
- Pre-acquisition and post-acquisition forensic and anticorruption due diligence (FCPA, UKBA)
- Pre-acquisition analysis of historical company financial and accounting records
- Post-closing assistance with preparation of accounting mechanism
- Pre-arbitration dispute analysis
- Design and implementation of an ethics and compliance program, including anti-corruption policies and training



ANTI-CORRUPTION COMPLIANCE

Does your Turkish subsidiary comply with the Anti-Corruption Regulations? Can you afford not to?

With the increasing globalization of the economy, companies are faced with new challenges, as well as new opportunities. Part of this new environment is compliance with anti-corruption laws such as the US Foreign Corrupt Practices Act (FCPA), UK Bribery Act and the OECD's Anti-Bribery Convention. Together, these laws and conventions regulate the way companies transact international business all over the world. The related regulations in general intended to halt corrupt practices, create a level playing field for honest business, and restore public confidence in the integrity of the market place.

While each of these laws and conventions is somewhat different in scope and reach, the corrupt activities they prohibit are much the same. As international anti-corruption authorities everywhere usher in "a new era of enforcement," employees in marketing, sales, operations, business development and finance need practical guidance for recognizing and responding appropriately to corrupt activities that they can apply anywhere in the world.

How CEREBRA can help

Our team works with clients to craft solutions to navigate the related risks and respond to potential violations in Turkey from accounting and finance function point of view. We have worked on a variety of engagements including investigations, acquisition due diligence and compliance program implementation and assessments. We collect and analyze accounting data and other hard copy and electronic documents, including e-mail, to identify the "red flags" of potential violations and gaps in companies' anti-corruption controls.

Our Anti-Corruption Compliance services include:

- Assess the design and effectiveness of existing anti-corruption compliance programs (health checks)
- Establish new or refine existing compliance programs with a focus on mitigating potential corruption risks
- Design and implement compliance policies and trainings
- Perform due diligence on mergers and acquisitions (M&A) targets

THIRD PARTY RISK MANAGEMENT

Multinational companies having presence in Turkey are placing an increased emphasis on the need to understand the fraud and corruption risks posed by the third parties with whom they contract (including their distributors, agents, representatives and critical parties in their supply chain), particularly for compliance with cross-border anti-corruption legislation introduced in many western jurisdictions.

In the field of anti-corruption in particular, due diligence obligations on third parties have recently expanded in the wake of various laws such as the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, Sapen II and the OECD Anti-Bribery Convention. Under most of these laws, corporate criminal liability can be triggered when the bribe is paid by or through third parties including agents, consultants, suppliers, distributors, joint-venture partners, or any individual or entity that has some form of business relationship with the company. Therefore, companies look into the details of transactions and their related third parties to identify and avoid the risk that third parties could bribe on their behalf.

Governments from all regions are introducing stricter laws to combat bribery in business transactions. Enforcement is on the rise, with criminal penalties for wrongdoing reaching record levels. The extraterritorial reach of anti-corruption laws also means that organizations doing business and raising capital in multiple jurisdictions can be prosecuted for acts of bribery committed anywhere in the world.

In light of this uptick in regulatory and enforcement activity, organizations are devoting more and more resources to establishing policies, infrastructure and processes aimed at fighting corruption within their own businesses and throughout their supply chains.

In fact, conducting risk-based due diligence on third parties has become a legal expectation in many countries that have ratified the aforementioned laws and regulations, and conducting adequate due diligence may help organizations decrease, and under some laws even avoid, the risk of criminal culpability for corrupt third-party conduct.

How CEREBRA can help

Cerebra recognizes that each client's industry, risk appetite, third party base, business processes, organizational structure and resource demands are different. Therefore, Cerebra's third party risk management services are adjusted to your needs and requirements.

Cerebra provides a comprehensive and dedicated third party risk management in the following areas:

- Third party risk assessment: Using a risk assessment process for addressing third party risks and ensure the level of resources provided is commensurate with the level of risk.
- Third-party screening: Using advanced analytics to collect and examine data from the internet and proprietary databases to identify risk indicators.
- Third-party questionnaires: Managing due diligence questionnaire process for third parties which are determined by the Company management based on risks.
- Due diligence support: Analyzing questionnaire results, preparing due diligence reports and escalating cases with serious findings to your compliance team for decision-making.
- Background checks: Conducting comprehensive checks, including detailed research into companies, key individuals, and ultimate beneficial owners.
- On-site inspections: Conducting on-site, detailed assessments of the third-party's control environment.
- Ongoing monitoring: Performing ongoing analysis (using data analytics) of various data sources to identify any emerging or new issues regarding third parties you onboard. The scope of the monitoring will depend on your requirements and risk appetite.



ANTI-FRAUD TRAINING

The real enemy is not the fraudsters...but rather complacency! Teaching employees, management and boards to detect the "red flags" of fraud is critical in the fight against fraud in your organization.

After a fraud is revealed, employees invariably recognize transactions or aspects of such transactions that appeared suspicious; however, they simply did not recognize the "warning signs" that the transaction(s) were in fact fraudulent. This should come as no surprise, as most employees generally have limited, if any, formal anti-fraud training.

While formal written policies/procedures and internal controls are integral to an effective fraud framework, these alone may not be sufficient to identify or mitigate a fraud within an organization. Therefore, anti-fraud training empowers employees with the skills and tools necessary to identify the potential "red flags"; this is critical in the fight against fraud.

How CEREBRA can help

Corporate training helps employees maintain a skeptical mindset when reviewing and processing transactions, in order to identify the potential fraud indicators. Cerebra offers a variety of in-class fraud awareness training sessions that are specifically geared towards board members, c-suite, management, payroll and HR.

Cerebra can tailor the training to a specific department (e.g. Accounts Payable, Procurement, or Payroll). We can also develop several modules that can be delivered over time (e.g. one session per month or quarter). To be most effective, we recommend ongoing training in order to include new employees starting with an organization and to keep fraud awareness top of mind for existing employees.



ABOUT CEREBRA

Cerebra CPAs & Advisors is an independent accounting and advisory firm based in İstanbul, Turkey, established in 2009, that provides solutions in the areas of risks, business process and internal control system, internal audit, accounting compliance & reporting, business performance, anti-fraud and compliance issues.

Combining years of international expertise with in-depth Turkish experience and knowledge, Cerebra serves clients from all over the world. Our clients are mostly foreign firms that are investing or already operating in Turkey. We also work closely with international & local law firms, investment banks, advisory firms, private equity funds and non-governmental organizations.

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