



INFRA SUPPORT
a serwise company

WORKSHOP, THURSDAY 30TH JUNE 2016, WINTERTHUR

STEVE YOUNG, GROUP COMPLIANCE, HEAD OF FRAUD & INVESTIGATIONS

LOMBARD ODIER
LOMBARD ODIER DARIER HENTSCH

MY EXPERIENCE – HISTORY WITH I2

Introduction – my background



20 years



6 years



8 years



1+ years (November 2014)

Have worked with i2 product throughout my career for its investigative analytics capability

Last presented on i2 at the



i2 Annual UserGroup
Conference 2008

June 2008, Beaumont House,
Windsor, UK



Key areas of interest in the product are;

- ✓ Link charts for visual presentation of cases
- ✓ Data analysis (link financial transactions, accounts, funds movements)
- ✓ Sequence of events (time line of activities)

Please see important information at the end of the document

Unit, Department or service provided · Author · Date · 2

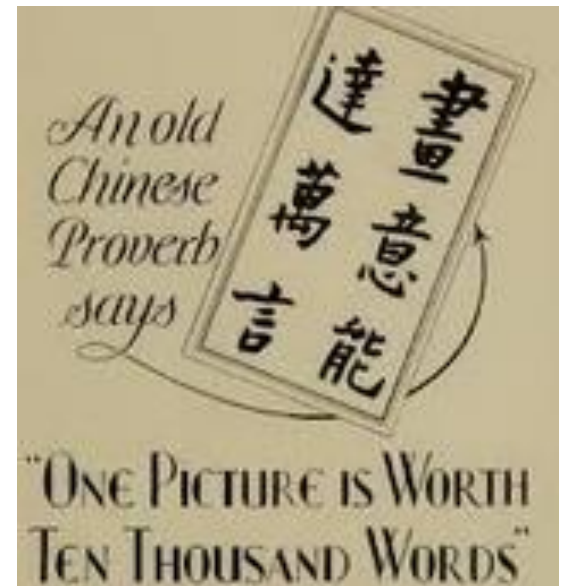


TYPES OF FINANCIAL INVESTIGATION

- Internal Fraud – Staff Wrongdoing (main concern)
- External Fraud
- Identity Theft/Account Takeover Fraud (Fraudulent Funds Transfers)
- Investment Fraud (Prime Bank Instrument Fraud)
- Bribery & Corruption Cases
- Regulatory Investigations
- Litigation Support (Civil Claims)
- Anti-Moneylaundering (AML)
- Sanctions (Transactional Breaches)
- Investigative Enhanced Due Diligence (EDD)

BANKS USE OF I2 FOR FINANCIAL INVESTIGATIONS

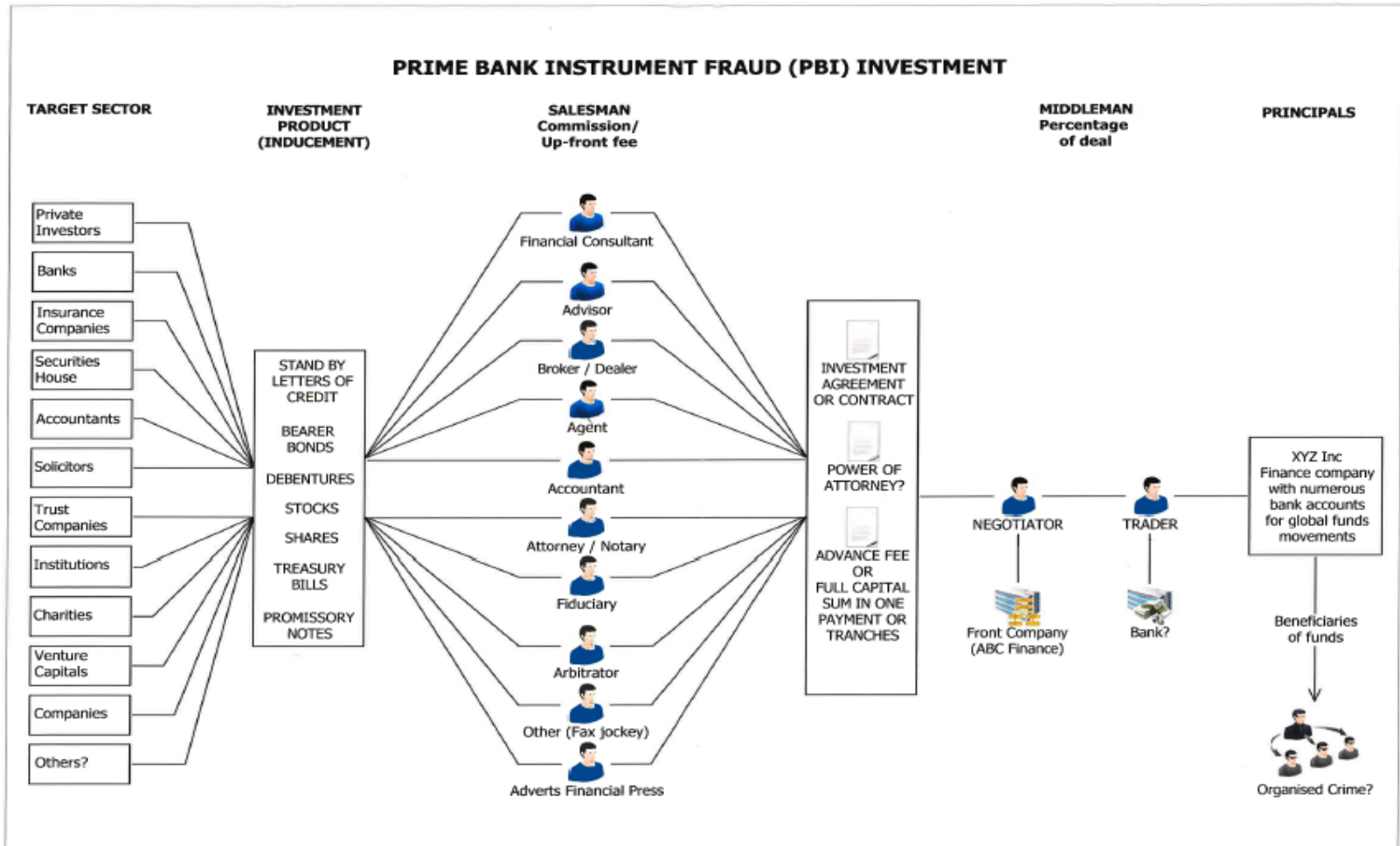
- ✓ Analysis of financial data and production of link charts
- ✓ Tool used to display fraud modus operandi (mo) to brief senior management and as a training aid (i.e. Investment Fraud) '*a picture paints a thousand words*'
- ✓ Used for analysis of funds movements and display via link charts
- ✓ Used to display time lines and key events
- ✓ Used to display control failings



England defeated by Iceland 2-1 – knocked Out of Euro 2016

PRIME BANK INSTRUMENT FRAUD (PBI FRAUD) – INVESTMENT FRAUD

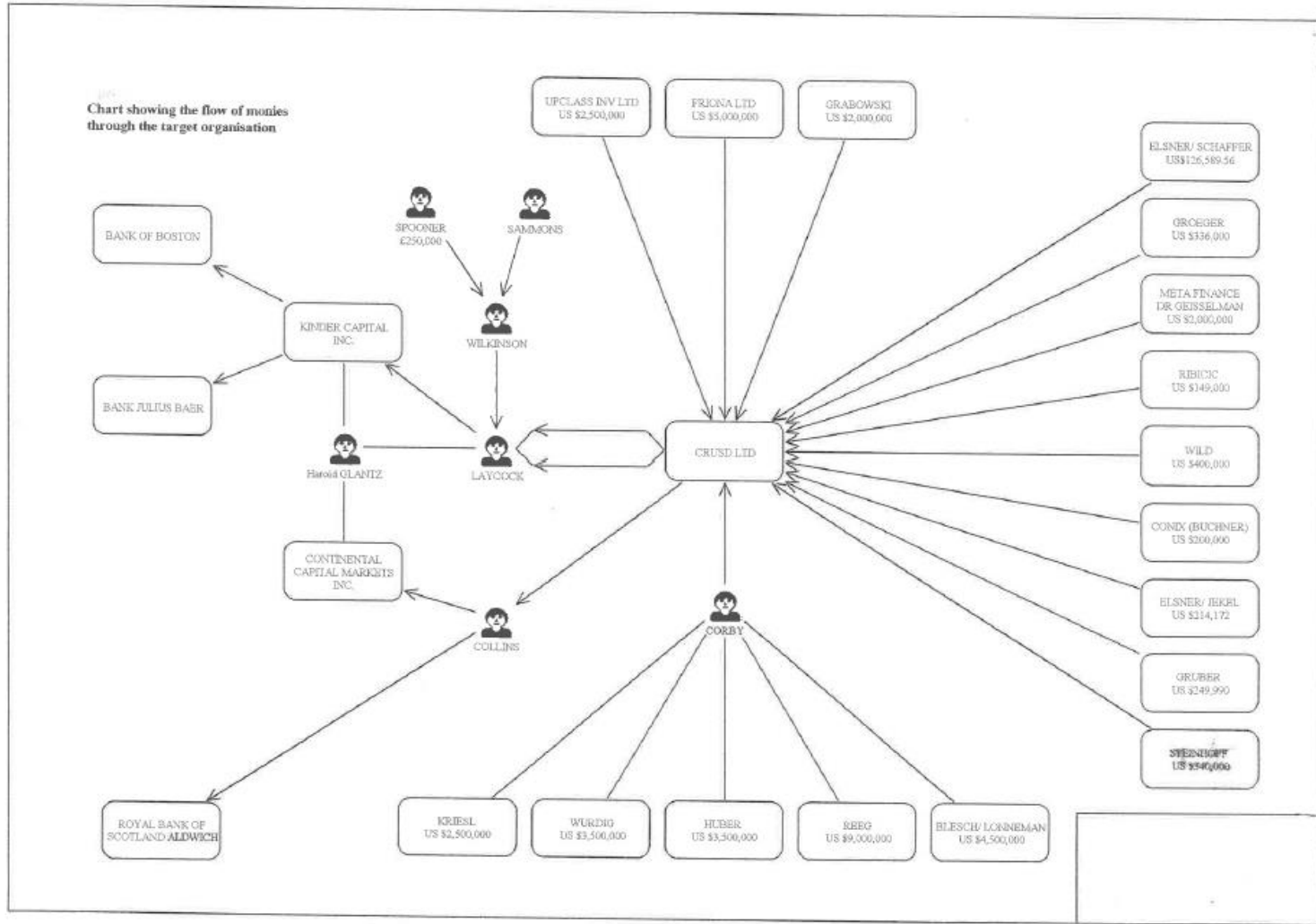
i2 used as a (i) teaching/briefing aid, (ii) used in court proceedings (evidence) (iii) used in public



Please see important information at the end of the document

Unit, Department or service provided · Author · Date · 5

CASE EXAMPLE - KINDER CAPITAL INC – PBI FRAUD (\$25 MILLION USD)



Please see important information at the end of the document

Unit, Department or service provided · Author · Date · 6

BRIEFING SENIOR MANAGEMENT – CASE ON PAGE - EXAMPLE

Simon Gautier HANNES - The \$2 Million Insider Trader

Simon Hannes, the former merchant banker convicted over Australia's largest insider trading case

The Audit and Securities & Investments Commission (ASIC) is an independent statutory government body that acts as Australia's corporate regulator. ASIC's role is to enforce and regulate company and financial services laws to protect Australian consumers, investors and creditors.

ASIC was formerly known as the Australian Securities Commission (ASC) and administration was replaced by the following legislation:

- Corporations Act 2001
- Australian Securities and Investments Commission Act 2003
- Securities Legislation Act 1980

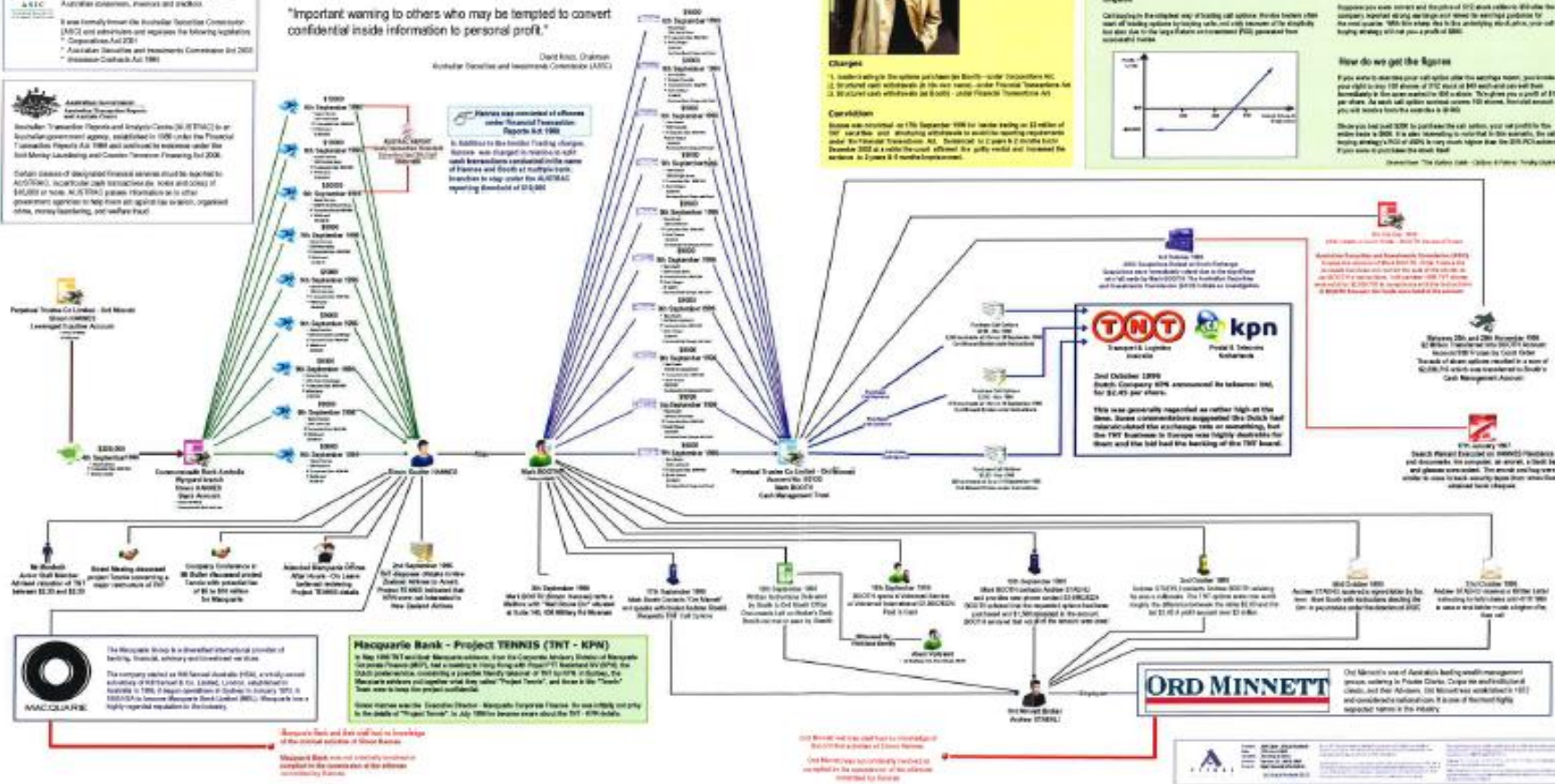
ASIC has issued a number of public reports and orders in relation to the insider trading case of Simon Hannes. These include:

- ASIC v Hannes (2001) 185 F.T.R. 100
- ASIC v Hannes (2001) 185 F.T.R. 100
- ASIC v Hannes (2001) 185 F.T.R. 100

Hannes was "a person in a position of trust who cynically embarked on a calculated plan to profit from insider trading."

"Important warning to others who may be tempted to convert confidential information to personal profit."

David Kent, Chairman
Australian Securities and Investments Commission (ASIC)



Simon Gautier Hannes

Simon Gautier Hannes
BORN 1958
Executive Director
Macquarie Bank

Changes:

- Resigned from the position of Executive Director at Macquarie Bank in 1998.
- Appointed as a director of TNT-KPN in 1999.
- Resigned from the position of director of TNT-KPN in 2001.

Contributions:

Simon was instrumental in the acquisition of TNT-KPN by Macquarie Bank in 1998. He was also instrumental in the restructuring of TNT-KPN in 1999. He was also instrumental in the restructuring of TNT-KPN in 2001.

Call Options - What are they?

Definition - Explanation

A call option is a contract that gives the holder (buyer) the right, but not the obligation, to buy a specified quantity of a security at a specified price within a certain period of time, but not exercised.

For the writer (seller) of a call option: It involves an obligation to sell the underlying security at the strike price if the option is exercised. The call writer will be paid a premium for selling the option with the obligation.

Call Options - The simplest way of trading call options involves buying when you see a trading opportunity (buying call) and selling when the opportunity has disappeared (selling call).

A Single Example of Call Options

As an example, let's suppose the stock of XYZ company is trading at \$10. A call option contract with a strike price of \$10 and expiring in a month's time is being traded at \$1.

How do we get the Return?

If you write a call option, you will receive the strike price, plus the premium you receive for selling the option. If the stock price rises above the strike price, you will receive a profit of \$10 per share. If the stock price falls below the strike price, you will receive a profit of \$1 per share.

LOMBARD ODIER

LOMBARD ODIER DARIER HENTSCH

