Forensic Interviewing
Presenters

Forensic and Valuation Services
Forensic, Investigative, and Dispute Services

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Learning Objectives & Agenda

• Grant Thornton & forensic accounting

• Plan & conduct fact-finding interviews

• Assessing truth & deception

• Class activity

• Debrief and Q&A session
What is Forensic Accounting?

"Forensic Accounting is the identification, acquisition, analysis, and reporting of financial and economic evidence to assist parties with the determination of a disputed amount or to prove a claim."
What is Forensic Accounting?

- Break it down: "forensic" and "accounting"
- Analyze and make sense of complex bodies of data
- It has a basis in accounting, with elements of finance, investigations, law, & strategy
- It requires the reporting of complex findings in simplified & understandable terms
What do Forensic Accountants Actually Do?

- Consult on litigation matters requiring financial expertise
- Consult on fraud prevention & deterrence (FCPA, AML)
- Serve as neutral party in mediations & arbitrations
- Provide expert witness testimony
- **Perform investigations involving fraud or other accounting & financial matters**
Forensic interview situations

When **we** use forensic interviews:

- Whistleblower investigation
- Financial statement restatement
- FCPA investigation

When **you** use forensic interviews:

- Internal control testing and walkthroughs
- Financial statement auditing
- Client discussions
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2. Who did the umbrella belong to?

And tripped over the umbrella outside of Wayne’s apartment.

**********Assumption**********
3. What injury did Kate suffer in the fall?

...returned upstairs and wrapped her arm with an Ace bandage.

**********Assumption**********
4. What time did Kate arrive at work?

Kate starts work at 9 am.

**********Assumption**********
What did we learn?

- Listening is important.
- There is a lot of information in what someone says.
- Don’t make assumptions.

**KNOW WHAT YOU ARE LOOKING FOR BY PREPARING FOR THE INTERVIEW.**
Purpose of the interview

An interview can be best described as a professional conversation conducted with a specific purpose or goal in mind.

- Gather facts and other information supplied by witnesses
- Identify new records and additional witnesses
- Answer the basic questions: Who, what, when, where, why and how?
- Mission to obtain facts; not obtain admission to guilt
Setting the objectives of the interview

If the interviewee is a *witness*, the purpose of the interview is *gathering information* to:

- Understand a system, process or transaction
- Understand the authorizations and documents generated
- Determine the role and/or knowledge (background) of the interviewee
Setting the objectives of the interview

If the interviewee is a **suspect**, the interviewer should try to:

- Determine the role, knowledge and involvement of the interviewee
- Keep an open mind

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Prepare for the interview

• AICPA Guide – "Conducting Effective Interviews"
• Participants
• Location
• Goals and roles of interviewers
• Be ready for surprises
• Remember the 3 P's
  – Preparation
  – Politeness
  – Persistence
Interview Set-up

- Positioning *

 Witness

 Primary (Interviewer)

 Secondary (Note Taker)

*Depending on surroundings and interview purpose
Final Preparation

• Review your documents
• Know the facts
• Do your research (business, industry, person, social media)
• Prepare outline, anticipate the answers and consider responses
• Dress to the level of the person you are interviewing – this will help put them at ease
• *Get Organized!*
Get organized
Commencing the interview

- Introduce yourself and purpose of interview
- Develop a relationship
- Put them at ease
- Questions should be straightforward and in a language and jargon that the interviewee understands
- Avoid double negatives

Remember: This is an interview not an interrogation
Establish the baseline

• Establishing a "baseline" is establishing the "norm"
  – Ask questions you know the interviewee is likely to answer truthfully

• Examples?
  – Personal background questions
  – Professional background questions
  – Current role questions
  – "Math" questions
Types of Questions

- Informational
- Open
- Closed
- Leading
- Double-Negative
- Attitude
Really listen…Remember Kate!

- Be curious but non-judgmental and non-blaming
- Confirm your understanding
- Be interested but don't interrupt
- Be aware of what the person is saying and feeling
- Clarify and verify
- Show empathy
Traps for interviewers

- Getting personal or judgmental
- Making assumptions
- *Not allowing the interviewee to talk - filling dead air*
- Not being prepared
- Not setting aside enough time
- *Not adjusting your questions based on real-time answers*
- Allowing distractions
- Not asking the hard questions
- Failure to verify what they have been told
- *Poor or non-existent notes*
- Acting authoritative
- Not following instincts
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Deception in the media…
Rules for the Evaluation of Behavior Symptoms

Three Main Rules:

1. Establish the baseline or normal behavior pattern
   • Look for changes from baseline

2. Timing and consistency
   • Nonverbal activity should occur prior to or during verbal response
   • Evaluate overall behavior pattern
     o not single observations

3. Evaluate behavior symptoms in conjunction with evidence, facts and circumstances
General Principles of Behavior Symptom Analysis

- Nonverbal Behavior
  - Often more reliable than verbal
  - Responsible for more than half of total communication
  - Can support an answer or suggest discomfort/deception
    - indicates the need for follow up questions

- Behavior symptoms become more revealing as anxiety in suspect increases
**Witnesses and ****verbal** communication**

### Truthful Verbal

- Smooth tone of voice & speech
- Reasonable, complete and clear answers
- Volunteers information
- No long delays
- *Direct, credible responses*
- “I didn’t do it.”

- “Impossible.”
- “No way.”
- “I’m glad it’s over.”
- “Because I told you the truth.”
- “Because its true.”
- “I was nervous, I feel relieved.”
## Witnesses and *verbal* communication

### Deceptive Verbal

- Verbal indicators don't match physical behaviors
- Changes in speech pattern
- Repeating interviewer's questions
- Skipping around in sentences
- Making excuses
- Irrational answers
- Asking the interviewer to repeat the question
- Giving very short or one word answers
- Overgeneralizations (any, all, never, always, etc.)
- Selective memory or complete mental blocks
- Answering a question with a question
- Refers to God, religion, or makes oaths
- Qualifies answers
  - "To be quite honest with you..."
  - "You may not believe this but..."
  - "I know this sounds strange but..."
- "I don't know or I can't recall..."
<table>
<thead>
<tr>
<th>Truthful Non-Verbal</th>
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<tbody>
<tr>
<td>Composed</td>
</tr>
<tr>
<td>Concerned</td>
</tr>
<tr>
<td>Sincere</td>
</tr>
<tr>
<td>Cooperative</td>
</tr>
<tr>
<td>Answers questions directly</td>
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<tr>
<td>Body movements consistent</td>
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<tr>
<td>Open gestures, good eye contact</td>
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<tr>
<td>Leans forward</td>
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<tr>
<td>Upright, open, casual</td>
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<tr>
<td>Smooth posture changes</td>
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<tr>
<td>May be nervous at onset but gains composure</td>
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<tr>
<td>Slow to anger</td>
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<tr>
<td>May engage in light-hearted conversation</td>
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## Witnesses and *non-verbal* communication

<table>
<thead>
<tr>
<th>Deceptive Non-Verbal</th>
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<tbody>
<tr>
<td>• Overly anxious, nervous, dry mouth</td>
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<tr>
<td>• Defensive or guarded</td>
</tr>
<tr>
<td>• Unconcerned</td>
</tr>
<tr>
<td>• Continual sighing or yawning</td>
</tr>
<tr>
<td>• Aggressive</td>
</tr>
<tr>
<td>• Uncooperative</td>
</tr>
<tr>
<td>• Shows up late or cancels meeting</td>
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<tr>
<td>• Evasive</td>
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<tr>
<td>• Poor eye contact</td>
</tr>
<tr>
<td>• Changes in body movements</td>
</tr>
<tr>
<td>• Rigid &amp; immobile</td>
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<tr>
<td>• Body language which divorces them from their statement</td>
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<td>• Noticeable physiological changes, blushing, heart rate, scratching, etc.</td>
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Class activity

- Volunteer

- Now it's your turn
  - Practice interviewing
  - Practice taking notes
  - Practice observing body language
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Activity debrief

• What did you learn?
• What did you find difficult?
• What did you find easy?
Questions?