

## **Fraud and corruption survival Guide and the Investigator “virtual” toolbox**

**Belgrade 25<sup>th</sup> September 2012**

### **Case Exercise 3 A tale of 4 companies and their choices....**

Miralux Corporation has over a thousand employees and operations in several countries. The head of Risk and Assurance activities Justin Case is given this letter by the CEO to look at.

The letter is believed to come from one of their operations in southern Europe.

*Good morning,*

*I would like to start by apologizing for not using our company email account but when you start reading what I'm going to tell you I'm sure you will understand me. We are young managers full of enthusiasm, proud to have become part of the Miralux Corporation, putting passion and energy in our work and reaching results.*

*But it is time to grow-up and become part of a multinational company for real and decided therefore to report on some unacceptable facts which have been going on for some time.*

*People have always been hired or collaborate with us because they are relatives or friends of our managing director: his wife for instance who is our advisor for strategy and marketing...we provide her with a company car and a company phone and a highly daily rate of more that 1000 EUR, naturally hidden by a regular contract with the supplier “Object Talk” who is forced to do that in order to keep the contract with us. Jones goes around very proudly talking about his contacts and saying that we should all thank him as it is the projects he is able to bring which pay our salaries...giving some favours back is just a minimal and well deserved payback...*

*What about that house in France? Is this also part of how we do business? What sort of consultancy work is Aldgate doing?*

*And then we are showing our brand in connection to our a local political party (we were obliged to invite our customers to a political party event under the justification that we are lobbying with the Minister of Foreign affairs to maintain our contract with Telestar, that was terrible!)*

*Will this be the case also now that we have been acquired? Shouldn't the company promote another kind of culture? We really hope you will be able to bring some fresh air and a new way of conducting the business down here.*

*To be honest I'm not sure that cleaning the situation will affect the turnover but it is necessary for building our future.*

*Please this could be a catastrophe for us if you don't handle this information carefully.*

*Regards*

### **Discussion questions**

- 1. If you were Justin what would you want to do?**
- 2. What options does the Senior Management of Miralux Corporation have now in responding to the situation?**
- 3. What are the most typical ways companies handle situations like this and in the real case how do you think it all ended?**