



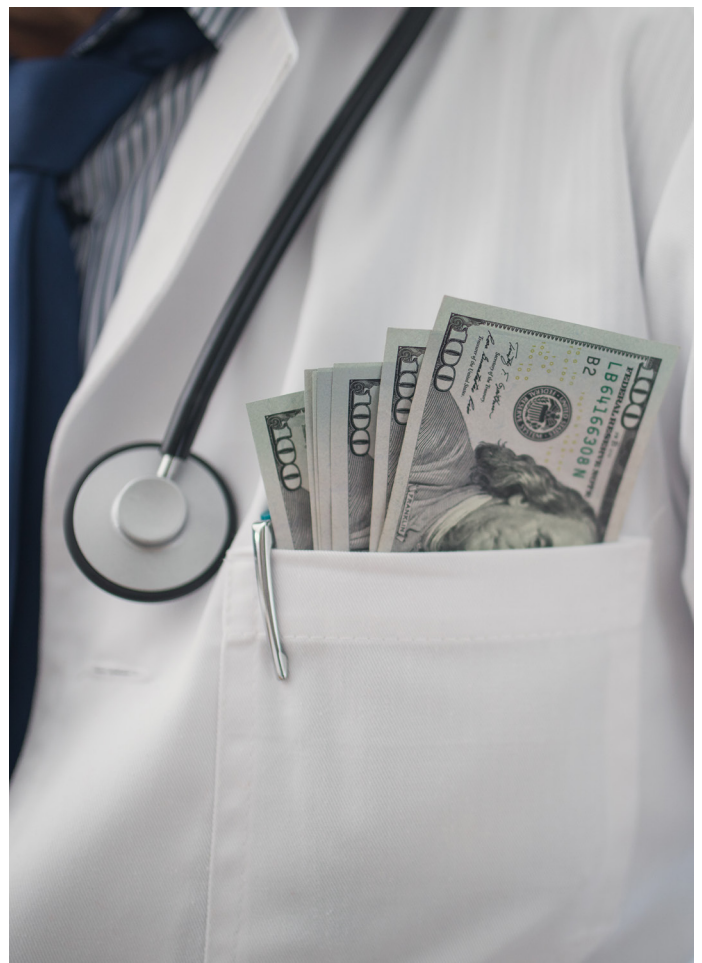
# Kroll Services for the Life Sciences Industry

## Sector Risks

As an at-risk sector, the life sciences industry has implemented layers of regulation to help reduce its susceptibility to fraud, bribery, corruption, privacy and other risks.

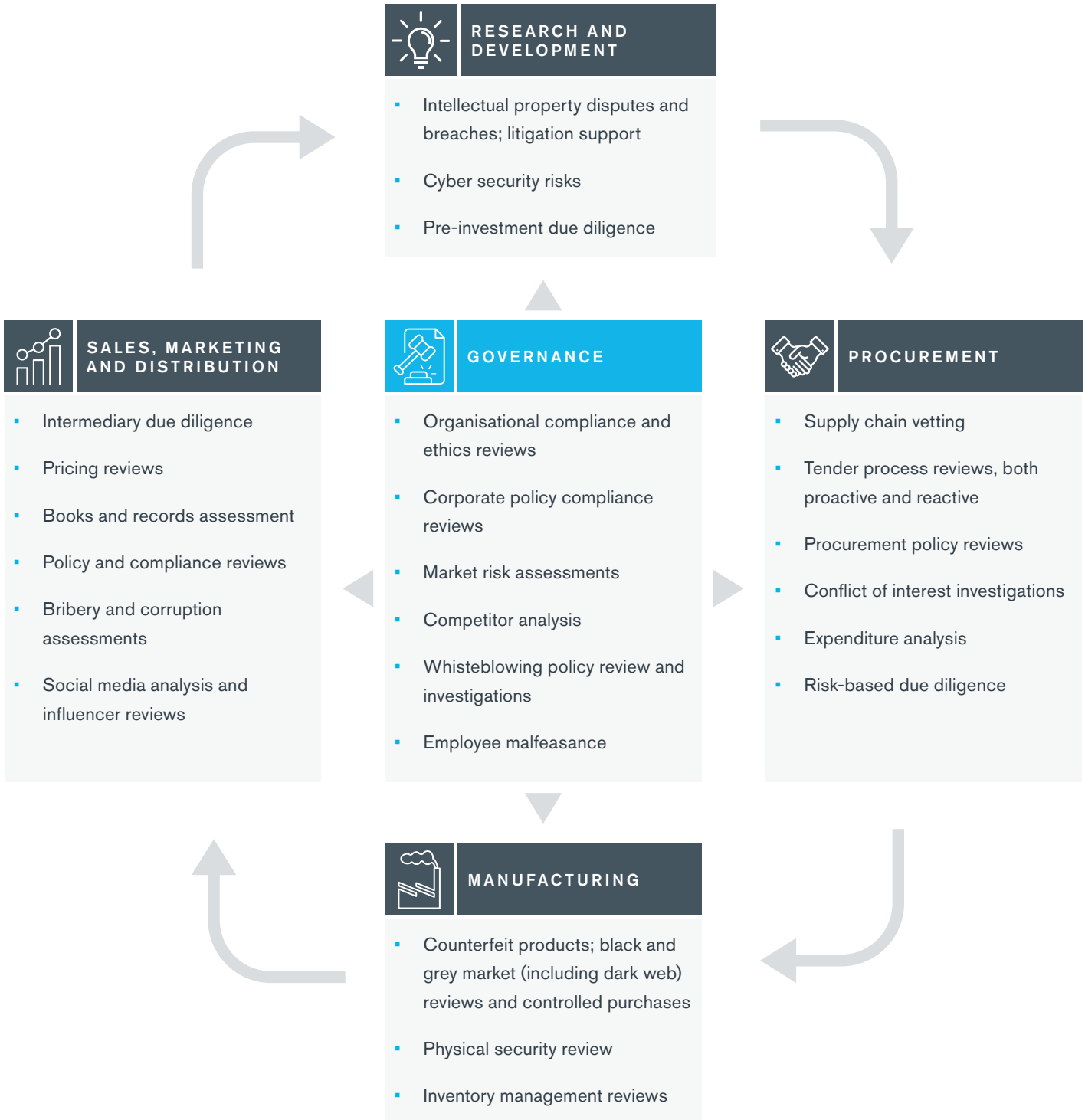
Significant FCPA enforcement activity and increased focus on UK Bribery Act compliance in recent years has acted as a catalyst for reviews of legacy activity and the implementation of more robust anti-bribery and corruption practices for firms in the industry, particularly those with business interests in higher-risk geographic locations. Nevertheless, despite increased awareness, the life sciences industry continues to have high-profile issues causing significant financial and reputational impact.

The evolving environment in which a life sciences organisation operates also leads to emerging risks, including increased susceptibility to cyber-crime, counterfeiting, insider threat and adversarial social media activity.



## How Can Kroll Help?

The product lifecycle diagram below highlights how Kroll has helped organisations within the life sciences industry address key risks.



Kroll advises clients on risk management and matters relating to fraud and corruption, governance and compliance. Kroll's investigative niche emphasises our independence and we are free from the conflicts brought about by having multiple advisory practices and statutory audit teams. Our experienced investigators have led and supported investigations in the life sciences sector in numerous diverse jurisdictions.

## Case Studies



### Risk, Ethics and Compliance Review

Kroll undertook an independent on-site expert review of a global company's ethics and compliance programme for the purposes of complying with an international agency's procurement and ethics requirements. Kroll, in its capacity as the independent expert, was required to report formally to the client and to present its report to the agency along with recommendations for improvement as necessary. Kroll conducted interviews of staff within the executive board, senior management, and internal audit, sales and marketing teams and operational staff within manufacturing sites, including distribution and logistics. In addition, Kroll undertook an in-depth consideration of the ethics and compliance programme both structurally and practically.



### Anti-Counterfeit and Grey Market Investigation

Kroll was retained by an over-the-counter medical device manufacturer to provide an assessment of the quantity and value of counterfeit or diverted grey-market product penetrating a marketplace. Kroll applied a combination of statistical analysis from product supply figures and vendor data together with real world investigations, which included the screening of over 450 independent pharmacy stores as well as site visits for gathering stock level intelligence and controlled purchases. Kroll's investigation indicated that counterfeit or diverted grey-market product worth \$30 million was in the marketplace. Kroll recommended how the issues in the supply chain and vendor interaction could be resolved to effectively curtail unauthorised sales.



### Whistle-blowing investigation

Kroll was engaged by a pharmaceutical company to investigate whistleblower allegations of kickbacks paid by suppliers to a senior manager in their Eastern Europe operations in return for signed supplier contracts. Our remit included forensic review of emails, interviews with staff, forensic accounting and external business intelligence enquiries. The investigation revealed that the local executive director and other members of the local senior executive team were involved in the alleged scheme. We identified a heightened bribery risk in the relationships between certain suppliers and public officials



### Threat Assessment and Management

Following negotiations between a pharmaceutical company that had created a revolutionary drug and the UK government, an announcement was made to the effect that the drug would not be available on the National Health Scheme due to its high cost. A protest group was formed that adopted a dual strategy of pressuring the government through protests, while at the same time attacking the company. Malicious social media content was produced and spread. The pharmaceutical company contacted Kroll after the senior executives based in the U.S. received threats to their physical safety. They tasked Kroll with identifying those behind the threats, while also monitoring social media to identify other potential risk groups. The Kroll team used a combination of online technologies to scope social media commentary, highlighting a number of individuals who were judged as a potential threat. This group was then monitored to flag any potential future issues, including real-time analysis during key governmental discussions between the parties.

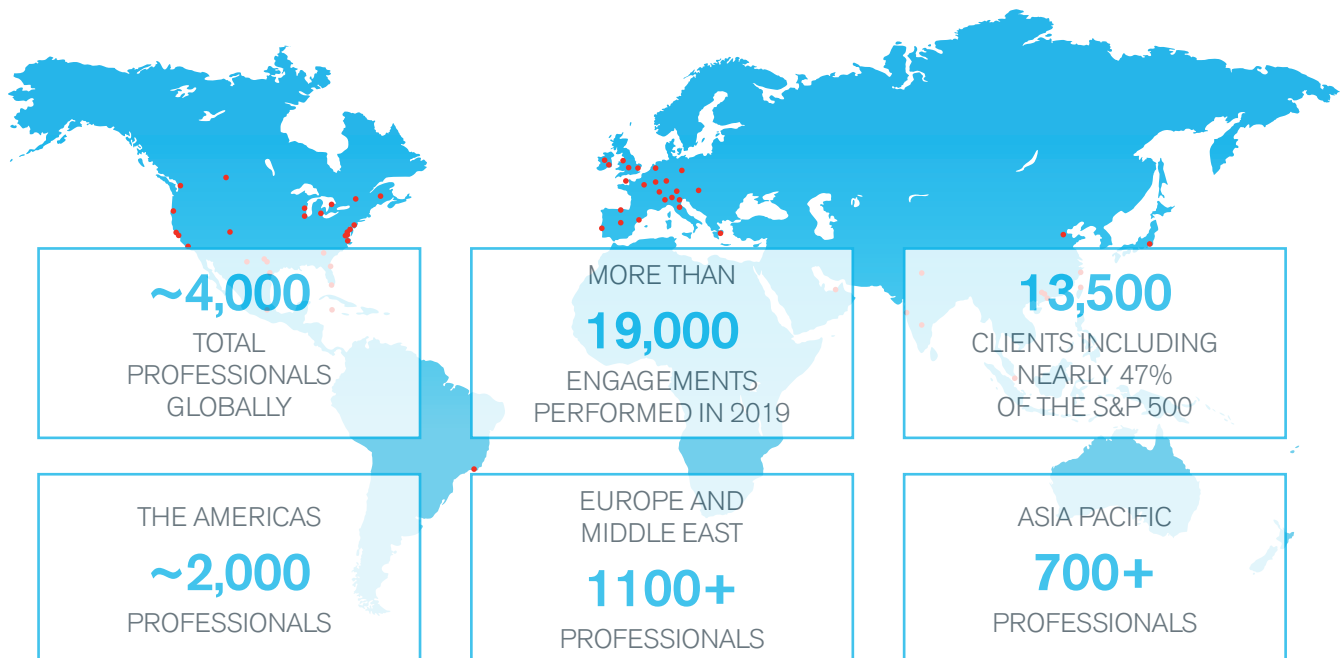
## Why Choose Kroll?

We help our clients navigate the challenges that affect decision making in the life sciences sector, both in terms of resolving issues influencing the current environment and working with clients to build resilient business practices to mitigate anticipated industry risk. Our life sciences team has assisted clients in addressing local and global issues relating to intellectual property protection, sales and marketing irregularities, confidential information breaches, supply chain due diligence, employee wrongdoing and counterfeiting amongst others.

Kroll's life sciences team draws on a diverse set of professional experience, including forensic accountants, data scientists, cybercrime experts, investigative journalists, ex-law enforcement and legal professionals, many of whom have a background in the

industry. Our life sciences clients are served by our global network of offices that work to deliver the highest level of quality in both developed and frontier markets.

Kroll is a division of Duff & Phelps. This increases the scope of services available to clients, with the Duff & Phelps Valuation Advisory Services, Corporate Finance and Governance, Risk, Investigations and Disputes teams having extensive experience in the healthcare sector, including therapeutics, medical devices, pricing economics, healthcare IT, facilities and real estate, behavioural health and rehabilitation, pharmaceutical services, payor services, outsourced services and alternative site and ancillary care. Our dedicated team of professionals successfully advises clients on their most sensitive and complex situations.



## CONTACT US



**Dr. David Lawler**  
Managing Director  
0207 029 5201  
david.lawler@kroll.com



**Peter Tutton**  
Associate Managing Director  
0207 029 5192  
peter.tutton@kroll.com

[kroll.com](http://kroll.com)

### About Kroll

Kroll is the leading global provider of risk solutions. For more than 45 years, Kroll has helped clients make confident risk management decisions about people, assets, operations and security through a wide range of investigations, cyber security, due diligence and compliance, physical and operational security and data and information management services. For more information, visit [www.kroll.com](http://www.kroll.com).

### About Duff & Phelps

Duff & Phelps is the global advisor that protects, restores and maximizes value for clients in the areas of valuation, corporate finance, disputes and investigations, cyber security, claims administration and regulatory issues. We work with clients across diverse sectors on matters of good governance and transparency. With Kroll, the leading global provider of risk solutions, and Prime Clerk, the leader in complex business services and claims administration, our firm has nearly 4,000 professionals in 25 countries around the world. For more information, visit [www.duffandphelps.com](http://www.duffandphelps.com).