



SERVICE SHEET

Export Controls and Economic Sanctions

Export controls and economic sanctions have become the de facto tools to manage geopolitical tension and continue to change at an unaltered pace. The risk of export controls and sanctions enforcement and associated penalties and reputational damages continue to increase for corporates and financial services firms. Ever larger penalties are a reality from several national enforcement agencies or regulatory bodies, with the likes of OFSI in the UK joining OFAC in increasing activity.

Regulators in many countries of the world in addition to the continuing extraterritorial reach of the U.S., can make non-compliance an expensive oversight. As the world continues to see increased division between various countries, trade wars, and politically motivated designations, compliance departments must remain extremely vigilant and responsive to these ever-mounting changes.

Complexities around financing, manufacturing, supply chain, dynamic entity ownership structures and jurisdictional nexus, can only be managed with living and effective internal controls, leveraging evolving analytic. This must not be an afterthought and should be embedded into business practice as part of a program that proactively manages export controls and sanctions risk across the end-to-end supply chain to build resilience.

— HOW WE CAN HELP

FTI Consulting's professionals have a proven track record proactively managing client's direct or indirect sanction exposure, in addition to identifying and investigating compliance violations and responding to crisis situations. Our team also includes former government regulators and industry professionals with a breadth of experience working with corporates and financial services to comply with evolving sanctions and trade restrictions.

Our award winning global export controls and economic sanctions experts have supported numerous clients on proactive risk management activities, defining and enhancing control frameworks. This global coverage is ever more important as conflicting regional requirements continue to cause challenges for global enterprises in an environment that is subject to constant change. We also support clients and regulators with program reviews and investigation requirements, advising on the strategic approach relating to the matter.

FTI Consulting's compliance professionals work hand in hand with our market leading data & analytics and technology experts to work through these typically complex and data heavy requirements, using traditional or advanced analytic methods such as FTI Augmented Investigations® digital forensics and e-Discovery solutions. This is underpinned by a global network of secure cloud environments and our ability to operate within clients' closed networks.

- **Internal compliance programme support.** We have direct experience of designing, implementing and managing internal compliance programmes which match the profile of an organisation to the markets and segments that it is operating in, to ensure proactive compliance with the export controls and sanctions requirements that are relevant.
- **Investigate potential export controls and economic sanctions violations.** Our team has deep experience in supporting investigations, from business as usual resource augmentation through to conducting and responding to multi-jurisdictional investigations, including parallel investigations by multiple regulatory and enforcement agencies.
- **Provide assessment and remediation support to help organisations identify and correct gaps in their export controls or sanctions compliance programmes.** We can also develop, design, implement, and test an organisation's compliance programme to protect against regulatory risks, and if needed, develop and deliver training.
- **Liaise with agencies and support government disclosure strategies.** Our team has extensive experience in preparing disclosures and reviewing them from a government enforcement perspective. Our team has worked directly with the U.S. Departments of Justice, Treasury, Commerce, Defense, and State, as well as regulators in EMEA and Asia Pacific countries and the United Nations.



CASE STUDY

Economic Sanctions Monitoring for Middle Eastern Law Enforcement Authorities

SITUATION

In 2020, the law enforcement authorities of a Middle Eastern jurisdiction approached FTI for assistance with identifying and dismantling a sanctions evasion network involving a complex web of shipping companies accused of violating U.S. energy-related sanctions on Iran and Venezuela, amongst others. The jurisdiction had been under pressure from various international stakeholders to improve the efficiency of its economic sanctions monitoring and enforcement regime.

OUR ROLE

The client requested FTI Consulting to gather deep background information on the companies and individuals involved in the scheme, using public and privately available intelligence. Through our due diligence, we delivered a comprehensive report to the law enforcement authorities, to help them understand their potential exposure and provide a series of options for next steps, including revoking the companies' license to operate and monetary penalties.

We also advised the jurisdiction in relation to the quality of the data gathered through the jurisdiction's law enforcement sources, including key databases and registries, and advised on the public affairs angle of the situation by providing briefing points and a summary of our findings about the evasion network so that key senior officials would be prepared should questions from the media about the topic arise.

OUR IMPACT

Our senior experts engaged with the client on a daily basis, delivering nuanced insights to uncover a complex network of entities and individuals and their exposure to sanctioned entities, as well as managing requests to comment by various media outlets.

Our approach enabled the jurisdiction to A) strengthen the jurisdiction's regulatory framework from an economic sanctions perspective; and B) deliver evidence-based narratives and demonstrate tangible actions in improving sanctions compliance efforts across the jurisdiction.



CASE STUDY

Investigation into Nordic Bank's Alleged Anti-Money Laundering and Sanctions Violations

SITUATION

Over 100 billion Euro in alleged money laundering violations, leaked documents, five television exposés, C-suite firings, board terminations, shareholder revolt, dawn raids and – according to major media coverage – Danske Bank, Panama Papers, Magnitsky, oligarchs and laundromats.

In response to mounting public (and according to popular media) global regulatory criticism, this client's external counsel appointed FTI Consulting's experts, to support a major internal financial crime investigation, culminating in publication of an unprecedentedly comprehensive public report one year later, citing FTI Consulting 165 times across its more than 200 pages.

OUR ROLE

FTI Consulting deployed a team of European and U.S. professionals representing expertise in financial crime analytics, financial services regulatory engagement and investigations, forensic accounting and in-situ e-discovery and review operations. Forensic collection of nearly 50 terabytes of relevant structured customer and transaction data coupled with KYC, communications and other documentary evidence from across the Bank's global operations enabled FTI to build and maintain a secure environment for analytics and legal review.

FTI deployed its intellectual property and AI, including the tailor made CUDARE review platform, bespoke fuzzy matching technology and algorithms for customer and SWIFT message sanctions review, along with FTI's library of 30+ money laundering detection scenarios. The team also streamlined the review of tens of millions of customers and over a hundred billion transactions through scaling rigorous human-machine review processes and provided strategic guidance and real-time expert insight to senior legal partners and c-level bank executives.

OUR IMPACT

Expert guidance on financial crime investigative approach; executive-level engagement in driving toward resolution. Large-scale, year-long human investigation team, underpinned by best-in-class technology maximizing human impact. Comprehensive 200+ page public investigation report (cites FTI's role 165 times).

CASE STUDY

Compliance Programme Recommendations for Multi-National Chemical Manufacturer



SITUATION

FTI Consulting was retained by a multi-national chemical manufacturer to evaluate and make recommendations on their compliance programme.

OUR ROLE

Our export controls and economic sanctions team performed a risk assessment covering all aspects of customs, export, and sanctions compliance. We developed an in-depth knowledge of the key risk areas faced by the client's complex enterprise including the import and export of various chemicals and associated manufacturing equipment.

OUR IMPACT

We developed over 80 recommendations designed to be practical, actionable, and auditable based on the client's unique operations, culture, and systems. FTI also developed a maturity model ranging from short term to long term, as well as options of alternative controls.



CASE STUDY

Risk Management Programme for a Major European Bank

SITUATION

A major European bank was facing significant internal upheaval and external pressures as a result of a national recession and wide-ranging regulatory changes, including new regulatory requirements for governance arrangements.

OUR ROLE

FTI Consulting undertook an independent review of the bank's AML and Sanctions risk management programme, evaluating its systems and controls against local, European and International/U.S. standards. The review encompassed all aspects of the financial crime programme including: business and client risk assessments, policies and procedures, training, transaction monitoring, and resource quantity and quality.

Key areas of focus were:

- The client selection and risk assessment processes (including the use of Introducers)
- Client Due Diligence ('CDD') and Enhanced Due Diligence ('EDD') processes
- The identification and management of PEPs
- The periodic and event driven refresh processes
- The effectiveness of responsibility assignment under the three lines of defence model
- Transaction monitoring

OUR IMPACT

We identified and highlighted gaps to enable the bank to focus its resources on key priorities in the most pragmatic way.



CASE STUDY

Multi-Year Review at a Large UK Bank

SITUATION

FTI Consulting was engaged by a global law firm to assist in a multi-year review at a large UK bank. The review comprised of a lookback of historical transactions by current and former customers, with the objective of identifying high risk transactional and customer activity in view of OFAC sanctions regulations.

OUR ROLE

FTI mapped and extracted the relevant data necessary to conduct the review, and deployed industry leading data science methodologies and bespoke customised tools to process, screen and analyse almost a billion customer and transaction records. We built a customised, scalable review platform that enabled our client, the law firm, to efficiently and accurately review all relevant transactions and pertinent customer information.

OUR IMPACT

Throughout the engagement we were able to leverage our extensive expertise in Data Analytics, Data Science and Forensic Accounting to help our client in focusing on the critical data points and areas to be reviewed. We further assisted our client in the preparation of detailed and regular reports to the UK and U.S. regulators which involved significant analysis and interpretation of the available data.



CASE STUDY

Sanctions Violations Voluntary Self-Disclosure

SITUATION

FTI Consulting assisted a global shipping company to conduct an internal review of shipments which may have involved embargo countries and Crimea. We worked at the direction of counsel to perform a comprehensive and data-intensive independent assessment of client's historic activities global and assisted with the submission to OFAC.

OUR ROLE

FTI Consulting was engaged to review billions of records evidencing the client's global shipping-related operations and associated customer and supplier money flows to identify a U.S. financial system or geographic nexus indicative of potential OFAC violations. Our PhD statisticians developed a robust and agile methodology for sampling global activity, with segmentation for the most risk-exposed businesses, while FTI's global analytics team enabled comprehensive analysis of all relevant aspects of the group's operations without geographic, or data volume or complexity limitations.

OUR IMPACT

We performed close and continuous collaboration with client and counsel ensured FTI's forensic, analytic and export control and sanctions expertise was of maximum impact to the client's regulatory submission.

To find out more about how our services and solutions can help your business, please visit us at www.fticonsulting.com or contact our experts: exportcontrols_sanctions@fticonsulting.com.





About FTI Consulting

FTI Consulting is an **independent global business advisory firm** dedicated to helping organizations **manage change, mitigate risk and resolve disputes**. Due to our unique mix of **expertise, culture, breadth of services and industry experience**, we have a tangible impact on our clients' most complex opportunities and challenges.

Individually, each practice is a leader in its specific field, staffed with experts recognized for the depth of their knowledge and a track record of making an impact. Collectively, FTI Consulting offers a comprehensive suite of services designed to assist clients across the business cycle – from proactive risk management to the ability to respond rapidly to unexpected events and dynamic environments.

Our Largest Industry Groups



Transportation & Logistics



Financial Services



Real Estate



Healthcare & Life Sciences



Energy, Power & Products (EPP)



Mining



Telecom, Media & Technology (TMT)



Retail & Consumer Products



Insurance



Experts with Impact™

With offices in every major financial center and every corner of the globe, we successfully serve our clients wherever challenges and opportunities arise.

Our clients include Fortune 500 corporations, FTSE 100 companies, global banks, major and local law firms and state and national governments and agencies in the U.S. and other countries. In addition, major U.S. and international law firms refer us or engage us on behalf of their clients.

30

Countries

1982

Year Founded

6,950+

Employees

NYSE:FCN

Publicly traded

9/10

Advisor to 9 of the world's Top 10 bank holding companies

98/100

Advisor to 98 of the world's top 100 law firms

\$5.4B

Equity Market Capitalisation*

59

59 of Fortune Global 100 corporations are clients

*Number of total shares outstanding as of April 21, 2022, times the closing share price as of April 28, 2022.

EXPERTS WITH IMPACT™

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.

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