the new forensics

Investigating Corporate Fraud and the Theft of Intellectual Property

Joe Anastasi
the new forensics
the new forensics

Investigating Corporate Fraud and the Theft of Intellectual Property

Joe Anastasi
Foreword

Joe Anastasi’s The New Forensics is a timely book that addresses some of today’s crucial issues.

He describes in fascinating detail how our national security is dependent, in part, by computers analyzing raw data collected by communication satellites. The story is told how forensic accountants using computers were able to achieve some sense of justice by locating and identifying “dormant accounts” in Swiss banks that belonged to victims of Nazi persecution. There is also a chilling story of the cyber theft of credit cards by persons operating solely within Russia.

But the main thrust of the book is the story of how forensic investigators using computers today can detect fraud and other corporate criminal activities. The facts of Enron, WorldCom, and the other major scams are carefully laid out as is the arrogance of the major actors. Any questions one may have as to how they were carried out and how they were solved are answered.

The technology is explained in simple, understandable terms. Today’s Sergeant Joe Friday does not write in a small notebook in the course of solving crimes, he now reconstructs the data from imaging hard drives.

The real value of the book, however, is not in the explanations given, but rather in the moral issues it raises. It is a tale of contrasts the stunning achievement of science in uncovering vast webs of criminal activities and the shocking revelation of human greed and corruption at the highest corporate levels. Their frauds were known or at least suspected by a number of people within and working with those companies.

Why were there not more whistle blowers? Where were all the other (possible) Sherron Watkins, Cynthia Coopers, and Gene Morses? More alarming yet, where were the investment bankers, the accountants, the lawyers and the bankers who help set up these schemes?
This is the question posed by the book. It is one that each of us in one of these professions must answer. If we ignore it or fail to deal with it, we will have lost the opportunity to restore public confidence in corporate America. The choice is ours.

HON. CHARLES RENFREW
Former U.S. Deputy Attorney General
(Carter Administration),
and Former U.S. Federal District Judge,
Northern District of California
The initial motivation to write this book was to explain the use of computer forensics and other technologies in investigations. As must happen with most literary efforts—though of this, I can only surmise—the darn book took on a life of its own. Even before the year 2002 unfolded, the hunt for al Qaeda terrorists brought to the attention of many, the notion of computer forensics. Many clues were being unearthed as a result of the forensic examination of computer laptops recovered by law enforcement authorities across the world. Then the Enron scandal imploded.

Early in 2002, things started to get very strange. The deletion of documents and e-mails in the corporate world interested almost everyone in this country. Suddenly what I do for a living became of interest to people who were not even members of my immediate family. And as the WorldCom fraud unfolded, it became hard for anyone to escape the daily news accounts of one aspect or another of the corporate fraud that seemed to have become endemic during the days of the Internet Bubble. As the year progressed, I continued with my daily business, and the writing of this book.

I have been scrupulous in attempting to avoid the breaching of any attorney-client or work-product privilege regarding the particulars of any of the cases that I have analyzed in the book. I selected cases for examination that possessed a peculiar and perverse elegance. They were cases in which people had either (1) already been sentenced to prison, (2) had pled guilty and were cooperating with the authorities, (3) were currently under indictment, or (4) were in a situation where information about their shenanigans had somehow been tossed on the garbage heap of our new age—the public record. In several of these cases, the attorney-client privilege and any work-product privilege had already been waived, or documents were already residing in the public domain, as the corporations themselves had decided to cooperate with law enforcement and
investigative agencies. In the numerous interviews conducted during the research related to this book, I have never had a document proffered to me by an interviewee, nor have I asked to see a document. This book is significantly oriented toward the nature of the various human interactions and behaviors leading to fraud, and the use of technology to uncover fraud.

I chose to fictionalize certain aspects of several of the cases examined. I did this even though the perpetrators of the corporate frauds were cooling their heels in prison. For reasons I prefer not to go into, I felt it to be somewhat more circumspect to fictionalize a name here or there—or two, or three. Then, because I was now on a roll, I continued with the subterfuge. Dates fell by the wayside; then entire cities and geographies—even the size of the corporations involved. Sometimes in my rush to achieve the desired aspect of anonymity, even the industry in which the specific corporation competed was disguised. One day, I awoke and thought to change some of the products and brands that had been involved in the scandal. Another day, I resolved to change the amount of money involved in the fraud, though I allowed it to remain dollar-denominated. In a later pang affecting my conscience, I even changed other details—sometimes it had to do with the weather, other times it regarded the height, weight, and age of a particular perpetrator—the color of their hair, even.

In my writing of this work, I took not an inconsiderable amount of comfort and solace from the very existence of Lord Moran and a book he had written, published in 1966. It was a book detailing his daily relationship with Prime Minister Winston Churchill. This 859-page memoir was published shortly after the great man’s death, to the astonished gasp of the medical establishment. This was because Moran had served as Churchill’s personal physician during the last 25 years of the Prime Minister’s life. “What about the doctor-patient relationship?” asked members of the profession. The “shrill voice of professional piety” raised its hue and cry—but was not sustained. Why? Because as Alistair Cooke has written, “. . . a large reading population, half the medical profession, and posterity itself had confirmed the unique value . . .” of Moran’s memoir.

* * *

As the year 2002 rolled by, one sector after another of our global economy bubbled to the surface as having been affected by the phenomenon of the Internet Bubble. It had not, after all, simply been an Internet Bubble. The label originally affixed to the malaise of this particular bubble implied that only investors in Internet stocks would feel its effect. This, though, is simply not true. Its symptoms were becoming manifest in many seemingly
unrelated industries. Its aftermath rippled out in an ever-broadening cir-
cle: the technology sector bubbled up first; then the telecom and energy
sectors; a little later, the consumer products industry; and then after that,
even the healthcare industry. As I wrote on, completing chapter after
chapter, I started noticing parallels in the outside world unspooling in
real time. The parallels were to the particular cases I was examining in
this book—Morgan Fay, for example.

And so I went back to the beginning, rethreading the narrative
through the needle, as I now more clearly perceived it.

There appeared to me now, a commonality—in the human behaviors
that seemed to have been occurring during these past 10 years or so; and
a commonality in practices, expectations or reward systems that had been
put in place during that last decade or two that seemed to be driving some
of these untoward behaviors. Behaviors that led to calamity, and for more
than just a few. I identify these observations as a particular brand of cor-
porate culture. I believe it is important for all of us to recognize the ele-
ments of this phenomenon, and when we see aspects of it again, in the
real world and in the future, to recognize it for what it is. And not suc-
cumb to it. The confidence we all wish to be able to place in our finan-
cial systems, for all of our mutual future benefit, will not be misplaced if
the lessons we learn today are remembered, and appropriately acted
upon, in the tomorrow. But these are individual decisions. They are made
daily. And they are made on a case-by-case basis. By people everywhere,
as they go about their daily business affairs.

*   *   *

For 28 years—all of my professional career, really—I have worked for two
very large firms. The first 23 years were with Price Waterhouse. The years
since 1997, Deloitte. The opinions and conclusions put forward in this
work are mine and mine alone, and do not represent the opinions of any
other representative of either of these two fine firms. Any mistakes, or
mistaken conclusions, in this work also remain mine alone.
During the many long weekends, late evenings, missed vacation days, and holiday time absorbed by the writing of this book, my wife, Patti, was unbelievably patient and supportive. Beyond this, she also served as part-time transcriptionist, initial reader, and editor, and to cap it all, she read the complete manuscript several times. All of this was done cheerfully and with love and understanding, and for this I will be forever grateful.

Two individuals urged the undertaking of this book: Andrée Abecassis, my literary agent, and Samira Baroody, my muse. To them, my many thanks. Throughout the process of writing and researching, Lisa Lomba provided terrific editorial support and served as a valuable transcriptionist, as did at times my son, Keith. Weekends at my house sometimes were very busy; often there were three or four computers, as well as two printers, going at the same time on various elements of this book.

David Cooke of the firm of Allen, Matkins, Leck, Gamble & Mallory provided me with invaluable advice and editorial assistance of which I am very grateful: Thank you, David. My production managers, Nancy Land and Brenda Hunter at Publications Development Company, were a pleasure to work with. I could not have had a better working relationship than I experienced with Matt Holt, my editor at John Wiley & Sons.

The following individuals provided technical support and assistance along the way and I thank them and acknowledge their contributions: Gene Morse, Jonathon Vanderveen, Mike Murphy, Kris Haworth, Lee Teitsworth, John Suit, Tony Rosen, Jaco Sadie, Alex Jarvis, Jeff Waxman, Laurel Sutcliffe, Matt Larson, Manish Khera, Tomas Castrejon, Frank Quijada, Tom Arnold, John O’Connor, Julia Umnov, Lisa Liao, Leland Altschuler, Emmett Bergman, Ken Avery, Mark Nigrini, Jim Littley, Fred Roffman, Frank Piantidosi, Mary Jane Schirber, Frank Hydoski, Judge Charles Renfrew, George Vinson, Mark Radke, Laura Unger, Tom
XII ACKNOWLEDGMENTS

Aleman, Jen Engler, Aubrei Stimphig, Shelly Connor, Lisa Dane, Kerry Francis, Dave Gully, Stephen Hibbard, Lou Pichini, Bill Leimbach, David Sikorski, Kevin Redinger, Jim Wilson, Dan Wetzel, Barbara Monteiro, Barbara Lombardo-Reynolds, Robin Reynolds (no relation to Barbara), Alan Ripp, and Duane Coda. Thank you all, and see you next time around.

J. A.
## Contents

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>“Just Move Away from Your Computer Please”</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>“It’s Gonna Be a Raid”</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>“A Dog’s Just Run Past”</td>
<td>21</td>
</tr>
<tr>
<td>4</td>
<td>She’d Deleted a Helluva Lot of E-Mail</td>
<td>32</td>
</tr>
<tr>
<td>5</td>
<td>“You Need to Get Over There”</td>
<td>37</td>
</tr>
<tr>
<td>6</td>
<td>“You’re Nothing but a Goon in a Suit”</td>
<td>43</td>
</tr>
<tr>
<td>7</td>
<td>“Oh, and by the Way”</td>
<td>55</td>
</tr>
<tr>
<td>8</td>
<td>Mafiosi Have Rights, Too, Don’t’cha Know?</td>
<td>67</td>
</tr>
<tr>
<td>9</td>
<td>DumbFellas</td>
<td>75</td>
</tr>
<tr>
<td>10</td>
<td>Even a Tick Can Swell Only So Far</td>
<td>90</td>
</tr>
<tr>
<td>11</td>
<td>“Bad Tuna”</td>
<td>102</td>
</tr>
<tr>
<td>12</td>
<td>“101 Ways to Cook the Books”</td>
<td>108</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>--------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>13</td>
<td>“The Cider House Rules”</td>
<td>124</td>
</tr>
<tr>
<td>14</td>
<td>“Yeah, ‘NFW.’”</td>
<td>138</td>
</tr>
<tr>
<td>15</td>
<td>DumbFellas Go Corporate</td>
<td>148</td>
</tr>
<tr>
<td>16</td>
<td>The Lexicographer and the Dormant Accounts</td>
<td>160</td>
</tr>
<tr>
<td>17</td>
<td>“I’m So Glad You’re Here”</td>
<td>183</td>
</tr>
<tr>
<td>18</td>
<td>“More Valuable Than Heroin”</td>
<td>193</td>
</tr>
<tr>
<td>19</td>
<td>Hunting the World’s Greatest Outlaw</td>
<td>207</td>
</tr>
<tr>
<td>20</td>
<td>The Metaphysical Theory of Being</td>
<td>216</td>
</tr>
<tr>
<td>Notes</td>
<td></td>
<td>235</td>
</tr>
<tr>
<td>Index</td>
<td></td>
<td>261</td>
</tr>
</tbody>
</table>
Chapter One

“Just Move Away from Your Computer Please”

“I need you to step away from your computer please,” Lee Altschuler said.

Morgan Fay’s chief financial officer glanced up from her computer screen. She regarded the man standing at her office doorway for a moment. “Excuse me?” Cindy Shalott asked.

“We’d like you to please conclude your business for the day,” Lee Altschuler said. “I’d appreciate it if you could complete whatever you’re doing as quickly as you can. Please leave your computer in the way that it is now. Don’t turn it off.”

The chief financial officer swung her desk chair around.

“Just move away from your computer please,” Altschuler repeated.

“Who are you?” Cindy Shalott asked.

The middle-aged man in the brown suit stood respectfully, just inside the door to her office. He had his beat-up leather carrybag stuffed under his left armpit. He was holding his rumpled brown raincoat in his other hand. “I’m with Deloitte,” Lee Altschuler said. “Would you just please just finish the sentence you’re on. Or whatever it is you’re doing with your computer. You can save it if you’d like. But I need for you to move away from your computer.”

The staff sitting outside Cindy Shalott’s office had popped their heads above their cubicles to see the fireworks. Cindy was known to ignite without even a match having been lit. And the clerical staff outside
her office had just seen the company’s CEO, Robin Malory, do something almost unbelievable.

The burly 250-pound Robin Malory had walked out the company’s front door in a big huff.

* * *

Lee Altschuler’s eyes were closed. He was standing at his desk in the office with the telephone to his ear, trying to make sense of things. Mike Murphy, one of the firm’s lead forensic and investigative services partners, was on the other end of the line.

“You need to get over there now,” Murphy was saying. “Make sure you take some people with you.”

Mike was calling from somewhere in Minneapolis or Omaha—Altschuler hadn’t yet been able to put all the pieces of the puzzle together. Lee Altschuler put his free hand to his forehead to concentrate as he listened to Mike Murphy’s instructions.

As Murphy spoke, Altschuler bent a little to scribble the address and the name of the company on a piece of paper. “Morgan Fay,” he wrote down.

Mike Murphy told Altschuler that things with Morgan Fay were urgent. The Securities and Exchange Commission (SEC) had just been informed that an investigation was commencing.

“I’ve got the computer forensics people coming in from Dallas,” came Murphy’s voice over the line, “They’ll hit the ground in a couple of hours.”

“Who?” Altschuler asked.

“Kris Haworth and Eric Schwarz,” Murphy responded.

* * *

Lee Altschuler had absolutely no idea what Morgan Fay’s office space looked like. “What does a publicly traded headquarters space look like, anyhow?” he’d asked himself as he prepared to head over with the two tech-support staffers in tow he’d managed to round-up on such short notice. “Do they have a thousand people? Two thousand?”

He’d not seen any floor plans before going over. And he had no idea where people sat. Where was he to find what Mike Murphy wanted him to get?

Altschuler was a bit thrown when he got off the elevator because the sign outside the door read Avalon Partners. Then he recalled that Avalon
was one of the corporate names that Mike Murphy had mentioned during their brief telephone discussion.

Upon meeting Robin Malory, the chief executive officer, Altschuler explained that he had no sense of the floor layout. Altschuler was interested in who worked where and he requested a quick tour of the premises.

As Malory conducted the tour, Altschuler noted the floor’s set up. The central part of the floor space consisted of administrative support areas. There were maybe 40 different work areas on the entire floor. Not so big a deal after all.

Everywhere they went, Altschuler noted Morgan Fay marketing materials lying around. There were a lot of boxes of *Lady of the Lake* products sitting on top of some desks. Posters of the various and sundry *Mount Baden Bread* products lined the walls. Over in one corner there were empty boxes of *Excalibur* biscuits—the brand featuring the sword being removed from a golden bar of butter. More marketing collateral could be seen in the lunchroom.

After providing Altschuler with the tour he’d requested, Robin Malory deposited Lee Altschuler and his two minions in the computer room where the corporation’s servers were housed. Robin Malory was clearly miffed.

The two technical support staffers Altschuler had brought with him described to Malory what they needed to do with the computer servers. “No,” they told him, they couldn’t say how long they would be. Robin Malory couldn’t get any more out of Altschuler’s team than he’d had been able to get out of Morgan Fay’s outside counsel, Caxton & Williams.

As Altschuler followed Robin Malory from one space to another, he noted the looks his team was getting from the administrative staff they passed. Altschuler got the distinct impression that he and his companions were unwelcome. Robin Malory’s attitude wasn’t helping things.

Robin Malory had taken the conference call from the corporation’s outside counsel only 20 minutes before Altschuler and his two goons had shown up. As far as Malory was concerned, Altschuler’s visit was an imposition and he let Altschuler know it.

Robin Malory turned around to look at the three men following him. The two younger men accompanying Lee Altschuler were wearing black slacks, black turtleneck tee shirts, and black leather jackets. Robin Malory shook his head. What the hell kind of a professional services firm would send out people looking like that? Sending them to the headquarters of a publicly traded $4 billion corporation? It was outrageous. And with no appointment. It was unforgivable, and Robin Malory told Altschuler this in the reception area.

No, the chairman and chief executive officer of Morgan Fay wasn’t having any of it. Not one bit. It was “highly irregular,” he’d shouted at the Caxton & Williams attorneys on the conference call he’d taken earlier. It
had been seven in the evening back in New York. Didn’t they have families to go home to? They ought to get a life.

Malory immediately placed a call to the chairman of the corporation’s audit committee. He reached the Morgan Fay board member at home. “The whole thing is bullshit,” Malory argued over the telephone. “It’s improper.”

Robin Malory received the same refrain from the audit committee chair that he got from Altschuler; the same line the New York-based attorneys had given him: “The board has a requirement to exercise their fiduciary obligation. The board needs to look out for the interests of the shareholders.” In addition, the audit committee chair informed Malory that the board had instructed the attorneys to “take whatever steps were necessary.”

Robin Malory was 72 years old. Prior to forming Morgan Fay, he had risen to the very pinnacle of a Fortune 100 corporation. Having invested 28 years there, he had every reason to expect that he would close out his career by serving as the company’s Chairman and CEO. Robin Malory would retire as chairman of a company that marketed one of the best-known brands in the world.

But it hadn’t happened that way. There went 28 years of investment down the drain; 28 years of sacrifice, of climbing over other executives, climbing to the very summit, to the number 2 spot, and receiving promises that he would be the next CEO and chairman. He had been next in line. And then to be passed over by the board of directors in favor of an outsider. It was outrageous.

Then he was out, having to start over.

Now at Morgan Fay he was pushing worn-out brands. Products that had seen their best days long ago. But Robin Malory had never quit on himself, ever. He had risen to the top and he could do it again. He had a plan; one that was sure to bring his ship in and to bring it in on his terms. He didn’t need some jack-assed board of directors appointing him to the top position. He couldn’t spend 28 years climbing and pushing his way past others to get to the top again. If he couldn’t be appointed chairman and chief executive officer of a Fortune 100 company, he’d start his own company. He no longer had the luxury of time. He’d do it the smart way. His way.

He’d bought the rights to a whole bunch of worn-out brands—the cast-offs of other brand companies, like Nabisco or General Foods. He scrounged the seed money from here and there; he had a hell of a resume. He was bankable, goddammit.

The brands he’d acquired were no longer attractive to their former owners. But Robin Malory had a plan—he knew how to rejuvenate brands. Each and every one of the brands he’d snapped-up were household names.
They were products you would find in almost any kitchen in America; and most of these products had been in existence for going on 50 years now. So the brands were tired. So what?

They just needed a little more oomph. They needed marketing dollars to rebuild market awareness. And Robin Malory and his company Morgan Fay had been able to accumulate the #1 and #2 brands in each of the product categories in which he had decided they would compete. The company didn’t need to be in a whole lot of categories. That was the beauty of the plan.

Morgan Fay could never compete across the board with General Mills or Nabisco. But so what? That was never part of Malory’s plan. You needed to have a plan to succeed. And then you needed to stick with the damn thing. You needed to see it through. Robin Malory was seeing this one through. Morgan Fay had been able to corner the market in those product categories the giants had forgotten to pay attention to.

Now Morgan Fay had scale. At the moment, they had manufacturing and distribution centers in Omaha and Minneapolis, with plans to open another manufacturing operation in San Leandro, California. And Robin Malory had brought together all of these waifs and strays, all of these neglected brands, to be manufactured in these two centers. With these centers, Morgan Fay would achieve distribution synergies that the giants could never achieve; and marketing synergies, as well. This is because Robin Malory had a plan.

The plan had four phases. First, you acquired brands that others had taken for granted. And because they’d been taken for granted, these cast-offs hadn’t been receiving the nurturing they deserved. Naturally they would have been under-performing. That brought you to the second element of the plan. Since the brands had been underperforming, you could buy them out for pennies on the dollar.

Plan element #3: You reinvigorate the products, with marketing and brand development and investment dollars. Then the cash would start coming in the door—because the brands he’d been hunting for his portfolio were terrific. They truly were. How else could each of these products have been a basic part of Americana for the past 50 years? After the “reinvigoration,” and resulting enhanced cash flow, you would be ready to execute the final phase of the plan.

You take the damn thing public and watch the marketplace establish the proper value for these things that you’ve invigorated.

The four years prior to starting Morgan Fay, Robin Malory had a hell of a stormy stint as the chief executive officer of another, smaller company. After tangling with the board of directors on how best to expand the company, he’d been forced to leave. And before that, he’d had a two-year spell in England, with a company that ended up in bankruptcy and litigation.
But now, three years had passed since Robin Malory first formulated this plan. And now all four of his plan's objectives had been met. The initial public offering had occurred just last year.

Bam! Just like that, the stock had taken off like a bottle rocket. And now the officer and director's stock “lock-up” period was fast running its course. He and the other founding executives had received stock options as part of taking Morgan Fay public. One of the legal requirements of the Initial Public Offering (IPO) had been that no senior executive could sell any of their shares for a period of two years following the IPO. This kind of lock-up period was designed to protect the little shareholders. A lock-up period would protect the little shareholders from possible predatory practices of dishonest stock promoters.

Prior to the Depression, after raising money through an IPO, unscrupulous promoters would turn around and immediately dump their own shareholdings on the market. So the various states had passed Blue Sky laws to protect the investing public. In addition, Congress had established the Securities and Exchange Commission (SEC), which placed all kinds of restrictions and reporting requirements on publicly traded companies.

The notion of a lock-up was one of these protections. A lock-up required management to hang in there with all of these other new shareholders. That way, everyone would be motivated to build the company into something that would be self-sustaining over the long haul.

The expiration of Robin Malory’s stock lock-up period, though, was now only seven months in the future. Robin only had to put one last fiscal year-end “close” behind him, plus two more quarters. Then he would be out from under the lock-up. Then, this time, he could retire for real.

He’d retire on top of the pack, “in the money,” and with the respect he had been due all along. In seven months, they all could begin unloading their stock. They could all cash out.

*   *   *

“Why don’t you save whatever it is you’re working on?” Lee Altschuler said to Robin Malory. Altschuler was standing just inside the threshold of Malory’s office. Altschuler had just finished posing the same suggestion to one of the executive vice presidents, who had readily complied with the request.

“After you hit save,” Altschuler continued, “you can just leave your computer the way it is now.”

Robin Malory did not respond to this, and Lee Altschuler could see the blood rushing to the big man’s face; the veins were bulging in the man’s neck. They were easy enough to see, the way they were standing out against the collar of the chairman’s white shirt.

Robin Malory shook his head slowly.
“Tuh,” he said in disgust as he pushed away from his desk. Altschuler observed silently as the chairman of Morgan Fay put on his raincoat. Lee Altschuler, a former prosecutor in the U.S. Attorney’s office in San Jose, considered what he would do if the burly chief executive attempted to close his laptop and stuff it in his briefcase.

Robin Malory replaced the small laptop on his desk. He snapped closed his briefcase and shouldered past as Altschuler stood off to the side.

Altschuler eyed the Morgan Fay chairman as he moved down the long hallway. Malory’s topcoat was flying away to either side as he stalked off toward the reception area.

*  *  *

“Who the hell do you think you are?” Cindy Shalott barked back. “Do you have any idea who you are talking to?”

“I know that you’re the chief financial officer here,” Altschuler responded.

She went back to working on her computer. She was simply ignoring Altschuler and this caught him off guard; he’d never experience that kind of attitude before. She continued pecking away at her computer. “You have no business being here,” she said.

“I’ve already explained to you why we’re here. We’re here at the direction of outside counsel.”

She continued working as if Altschuler wasn’t standing there. “I’ve got things to do,” she said. “You don’t just come in to some corporation like this, with no notice being given. Who the hell do you think you are?”

“I’ve already explained that,” Altschuler said.

“You expect everybody to drop everything for you,” she hissed at him, and she fixed Altschuler with her eyes. “I don’t even know who you people are,” she finally spit out.

“I’ve already told you who we are,” Altschuler said. He fished out a business card and extended it to her.

She made no effort to accept the card. “You have no business being here,” she said.

Lee Altschuler moved a step further into the office. “We’ve been instructed by your outside counsel to take control of your computer.”

She pushed her chair from her desk. “You have that in writing?”

“No. I don’t have it in writing,” Altschuler said. “But Robin has already been informed by the attorneys. And he’s complied.”

“Well, I’m not Robin,” she said. She pointed with her index finger. “And I don’t see why I have to give you access to my computer,” she said. “It’s my computer.”
“It’s the company’s computer,” Altschuler gently reminded her. He put down his briefcase.

“I don’t need you telling me whose computer it is. I have work to do and this is a major interruption.”

She went back to work on her computer, and Altschuler just stood there, observing her.

Cindy Shalott finally broke the impasse. “What is it that you want to do with my computer?” she asked.

“I can’t really say,” Lee Altschuler replied. “But when you come in tomorrow morning, everything on your computer will be exactly the way you left it.”

She folded her arms. “Why can’t you describe exactly what it is you’re going to do?”

“We just need access to it,” Altschuler said. “And we’re going to need the run of the place tonight.”

“Well, then,” she said. “I can’t help you if you won’t tell me what it is you’re going to do. I’ve got work to do now. And you are bothering me.”

“I’m sorry, but I’m not leaving,” Altschuler said. He took off his suitcoat and laid it on top of the raincoat he’d lain over the back of the chair in front of her desk.

She exercised her index finger again, pointing it directly at him. “I want you to leave my office,” she said. She was glaring at him now.

They remained locked like this—eyeball to eyeball—for a full minute. Again, she was the one to finally break the silence. “Why is it that you have to be here now? Why does it have to be right now? Why can’t you come back tomorrow?”

“Because those aren’t my instructions.”

“I don’t care about your instructions. I have things to do. And I don’t have time for you now.”

She moved her chair in closer to her desk. “Why are you standing there?” She pointed to a chair in front of her desk. “Why don’t you sit down?”

Altschuler moved a step closer to the chair, but only rested his briefcase against it. “I really need for you to move away from your computer please,” he finally said.

The chief financial officer sat there, glowering at him. It was all she could do to maintain her composure.

She sat as far forward in her seat as she could, lifted her right hand again and pointed her index finger directly at Altschuler’s face; they were only a couple feet apart now. “You better reflect on what it is you’re doing here.”

“I know exactly what I’m doing,” he responded.
“You are going way beyond the scope of your instructions. You people are totally out of control.”
“I don’t agree,” he responded.
“You are totally out of control,” she insisted as she pointed at him.
“I’m not out of control.”
She shook her head.
Altschuler took in her aspect as she sat there pecking away at her keyboard. She was ignoring him again. She looked to be 40 to 45 years old, and not very well preserved by his reckoning, though he knew that by now his point of view was becoming pretty biased. Her hair was blond, though with brown showing at the roots. She wasn’t a slender woman; as far as he was concerned, she was headed toward that middle-age richness that comes with too many desserts. A little too much makeup, too, at least for his taste; pancake makeup he called it. She was well dressed though.
She finally looked away from her computer. “I hope the people who are giving you direction know exactly what it is you’re doing.”
“They do,” Altschuler replied.
“Bullshit,” she barked right back. “They can’t have any idea how it is that you are conducting yourself. You have no right to be coming in here like this. And demanding things the way you are. You are totally out of control. The way you are demanding things is outrageous.”
“I don’t think it’s so outrageous.”
She got up from her chair and began pacing back and forth behind her desk. Altschuler estimated her height at 5’3”. And now she was really working up a head of steam. “Demanding to take someone’s computer?” she fired at him. “That’s not outrageous?”
“I’m not demanding it,” Altschuler said. “I am authorized by counsel to request that you surrender it for the evening.”
“Bullshit! You’re demanding it! ‘Stop what you’re doing,’ you instructed me. You commanded me to step away from my computer. And that’s not outrageous? Who the hell do you think you are?”
She continued pacing as she talked, but then she stopped and stood behind her chair as she faced Altschuler. “It’s unheard of,” she said. “It’s the most outrageous thing I’ve ever heard of. Never in my life have I heard of anything so outrageous. Who the hell do you think you are? Coming in here like this.”
Lee Altschuler looked at his watch. The confrontation had already taken up 25 minutes. “Look,” he said. “Everybody else is with the program. Robin’s already left. He’s letting us do our work. Why don’t you check with him?”
Cindy Shalott’s eyes lit on Altschuler. She glared at him for what seemed like forever to Altschuler. And then she gave up. She moved passed him, and went out of the office.
Down in Dallas, Kris Haworth rummaged through the computer forensics lab, looking for anything that might prove useful. She was responsible for operating the computer forensics lab in the firm’s San Francisco office, and she had ten or so direct-reports; all computer forensics and data mining specialists. The lab had a bunch of dedicated servers and was located in a specially configured space, and required its own air conditioning unit because the racks of servers threw off tons of heat. The servers had over 5 terabytes of combined storage capacity. With that amount of data storage capacity, there was hardly any computer forensics or data mining problem that couldn’t be tackled. Now she was rummaging through the firm’s Dallas lab, and she wasn’t sure where everything was stored.

Up until yesterday, she’d been working in Pennsylvania, on a very high-profile corporate investigation that was in all the newspapers. She had taken a flight into Dallas earlier this morning, however. The plan had been for her team to regroup in the Dallas lab, where there were servers that could handle the volume of information collected during her Pennsylvania site visit.

But Mike Murphy’s telephone call had been kind of a shock to her. Now she was packing everything to fly back home to San Francisco. Murphy was asking her to undertake what she referred to as “a raid.”

In Kris Haworth’s world, “a gig” was a run-of-the-mill project—arrange to image a couple of PCs, perform an analysis of the contents of the hard drives, and provide the investigators or attorneys with whatever it was that they had been wanting to see.
A raid, though, meant dropping everything to get ready to parachute-drop into some company in order to seize control of their computer operations or a whole bunch of PCs, and image them before anybody had a chance to destroy evidence.

A raid meant things would be hot. And if this one was going to be a raid, the team would get only one shot at the computers they were targeting. That’s why she needed to make sure she had plenty of everything.

Mike Murphy was already involved in another part of the investigation. He had called from Minneapolis, from one of the operating divisions under investigation. Murphy explained the situation to her over the phone. “You need to get in there and get all the electronic information,” he said.

She was to go to a management company called Avalon Partners, located in downtown San Francisco. Murphy explained that Avalon Partners was a management company for a publicly traded company named Morgan Fay.

She’d never heard of Morgan Fay before Mike Murphy’s call. None of what he described about the two companies made much sense to Kris, but she got it all down on paper anyway. That the corporate structure thing was kind of dense and murky to her didn’t bother her too much. It wasn’t her job to make sense of complicated corporate structures. Her job was to get in, image the computers she found, and get out.

“Take the next flight out,” Murphy told her.

“And bring some help,” he added. He then told her to call Lee Altschuler with any instructions she might have. Altschuler was on the ground in San Francisco and would handle things for her there until she arrived. Then, “click,” Murphy got off the line. Kris Haworth knew to pay attention to what he was saying, because he’d be gone quickly, and you wouldn’t know when you were going to hear from him again until he showed up in your doorway.

Her partner in the raid, Eric Schwartz, was handling the logistics for transportation; they would need to get all of this equipment to the airport. The flight they’d be taking out of Dallas would get them into San Francisco around five o’clock that evening. Once there, they’d work through the night.

Doing a raid always meant an all-nighter.

Kris Haworth looked around the lab one last time and found a zip drive. They’d need that if they ran into a zipped cartridge. She packed an IOMEGA drive; and then as many different kinds of drives as she could find in the lab. The team would need to be ready for any kind of loose media they might run into—Zip cartridges, Jaz cartridges, everything.

She was packing the equipment in a large black case specifically designed for shipping computer equipment. The two portable imaging
units were already packed in foam; the portable unit she’d brought along from Pennsylvania, and the other one that had been in the Dallas lab.

Kris had no idea what kind of computers she would find when the team hit the ground at Avalon Partners in San Francisco. The team would need the flexibility the imaging units provided. The imaging units were plug and play; any variety of multiple hard drives could easily be added or removed. The imaging units could deal with tiny laptop hard drives, removable drives, or any kind of hard drive the team might come across.

She gathered up her loose materials and began stuffing them into the rolling cart. She owned 12 different kinds of screwdrivers and she found a place for them in the rolling cart. She then put in her flashlights, her rolls of electric tape, the twist-ties she kept in a baggie, the box of screws, and finally the jumpers—everything she’d ever needed over the years on one assignment or another.

She had long ago given up on trying to board an airplane with these things as carry-ons because of heightened security measures.

*  *  *

Kris Haworth surveyed Lee Altschuler’s face in wonderment. Eric Schwarz stood next to her. The three of them were standing in the lobby of Avalon Partners in downtown San Francisco. It was late, and she didn’t need this. She unslung her computer bag from her shoulder and lowered it to the parquet floor.

She, Eric, and one of his staff had just spent the last couple of hours trying to retrieve all their stuff from baggage claim at SFO. There’d been a hangup there; one of the portable imaging units hadn’t shown up on the baggage carousel and it had taken another hour with the baggage claim people to finally locate it. Even though it was nearing midnight, however, the small team had taken a taxi and hustled directly to the Avalon Partners’ offices to meet up with Lee Altschuler and his team.

Rob Heller stood behind Kris and Eric. Rob had the black shipping case containing their equipment. The three computer forensic specialists had just arrived and had stopped in their tracks as a result of Altschuler’s announcement that Cindy Shalott, Morgan Fay’s CFO, had been deleting files like crazy from her machine.

Kris Haworth’s antennae immediately had gone up. “How would you know that?” she had asked Altschuler.

Lee Altschuler was a former white-collar crime prosecutor. He’d been an A.U.S.A., law enforcement lingo for an Assistant U.S. Attorney, and Kris Haworth knew Altschuler didn’t know the first thing about deleted files. He could write a letter using WordPerfect. Probably. That was about the extent of his computer skills.
Altschuler pointed to the guy in a black tee shirt with the goatee sitting in an office behind them. Kris recognized the guy as Andy; one-half of the Andy-and-Alan team. The men in black. She could never remember either of their last names, nor could she remember which was Andy and which was Alan. When describing them to others, she simply referred to the two of them as “the sneaker guys”—the hacker guys from the third floor at the office—the operational part of the cyber-intrusion detection team. She knew what she needed to know—these guys were the “good” hackers.

“Where’s Alan?” she asked Andy, guessing right this time, which was which.

“In the computer room,” the little guy with the black hair sitting at Cindy Shalott’s computer said.

“Where the servers are,” Andy added.

Eric Schwarz looked around the office space behind them. “I’ll take care of the servers,” Eric said. He headed off toward the computer room.

Kris nodded and returned her attention to Andy. He was staring at the computer screen as his fingers raced over the keyboard.

The sneaker guys attempted to break into corporate computer systems. They worked in a special lab, set up just for them. These two guys in black sat all day long, pinging away at some corporation’s network, trying to hack their way in. The weirdest thing about it, though, was they had the corporation’s permission to hack away. And the firm was paid for it.

Both Alan and Andy were in their thirties. Their joy in life was trying to crack systems. And when they got bored with the computer hacking thing, the other thing they did was attempt to break through a company’s physical security.

Really.

The two of them would go into some corporation dressed up like maintenance workers. And when they found themselves alone, they’d boost one up to crawl through a ceiling, or whatever it took to get past security.

One of them would call up some corporate department head and announce that it was network IT support calling. They’d say they had been told to fix something. Then one of them would ask the department head what his password was. Some people would call this kind of thing identity theft; they called it social engineering.

Then they’d use all the technology and tools in their possession to break in, to see if the corporation’s firewall was secure. Kris could remember working down on the third floor in their lab one day when they had cracked into some corporation’s system. Joy! High-fives all around.

Now Andy had managed to compromise her work plan. When she’d called Lee Altschuler from the Dallas airport, she’d specifically instructed him to “make sure nobody touches anything.”

“Just secure the computers,” she had said. “Don’t turn them on. Don’t turn them off. Just leave them as they are until we get there.”