

“SISTER ACT.”

PROSPECTIVE CLIENT APPROACHES CPA FIRM WITH A PLAN TO TAKE ON THE UPSCALE FASHION MARKET.

Outfitted with a nine-figure commitment from a giant equity investment firm, their business strategy for a chain of unique designer boutiques was a beauty. Marjorie and Megan had the trappings of success poised to ignite the market. The concept was custom component-based. The customer chooses a design and it is fabricated to her measurements using a series of size-graded piece goods. “Couture to go,” if you will.

WERE THEY THE RIGHT FIT?

A Prospective Client Report was ordered by the firm’s Risk Manager. It’s good business to know with whom you are transacting prior to engagement, and on renewal for that matter (both are AICPA best practices). Anyway, this was going to be a big win. Plus, entry into the garment category, a first for the firm.

DOUBLE-TROUBLE.

A history of ill deeds by the ladies exploded like a gusher: Filings of false information to the SEC, “cooking the books” in the millions of dollars, understating losses, felony charges for conspiracy to commit securities and mail fraud, civil law suits, an order for their arrest, and on and on.

THE COMPANY YOU KEEP OR DON’T.

A bittersweet outcome. The CPA’s Managing Partner and Business Development Committee were really looking forward to having the sisters as a new client. Expanding into the garment market, taking the client public, and forging a new alliance with the equity firm. But, having meetings in the federal penitentiary all-purpose room was not an option. Of interest, when word got back to the investors, they immediately engaged us for background investigations, because character counts...every time.

Note: This characterization is based on an actual file, with certain circumstances and references altered to protect confidentiality.

Scherzer International Investigation Products:

Prospective/Client Continuation Report	Pre-Employment Report
Corporate/Management Report	Law Firm Pre-Employment Report
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