

## Darrell Lane

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### Overview

Darrell has over twenty-nine years of Big 4 consulting experience, working primarily in the fraud, forensics and investigative practice areas. Prior to joining Kanter Financial Forensics, in addition to his client service responsibilities, Darrell was the technical leader for PricewaterhouseCoopers' ("PwC") Forensic Technology Solutions group in Dallas.

In today's data and analytics dependent environment, Darrell has been called on by clients in a range of industries to bring his unique mix of financial, accounting and investigative expertise and experience to clients in diverse industries including financial institutions, broker dealer, telecom, healthcare, manufacturing, real estate and oil and gas. Darrell was tapped by PwC to design and teach multiple international forensic training classes and has consulted with clients and engagements teams around the world regarding complex investigative and data analytics issues. Darrell developed tools that were leveraged across PwC's Forensic practice in the delivery of client service projects.

Darrell acquired his extensive technical expertise by beginning his long career at what was then Coopers & Lybrand's Information Systems Consulting practice where he performed data modeling. Coopers & Lybrand merged with Price Waterhouse in 1998 to become PwC.

### Education and Certifications

Texas A&M University, B.S., Computing Science  
Southern Methodist University, M.B.A.  
BlackBag Technologies, Inc. – Certified BlackLight Examiner (2016)  
EnCase Certified Examiner (2003)

### Testimony Experience

Darrell has provided expert testimony in cases ranging from capital murder to contract disputes to theft of trade secrets.

### Representative Experience:

*Telecom, data analytics* - Assisted a large international telecommunications company in defense of multiple regulatory actions claiming the company was not delivering services as described in the company's contract with its customers. The investigation of these "throttling" claims involved the analysis of billing records, usage records, customer service tickets, billing codes, and change of service requests (porting). The engagement required the analysis of hundreds of millions of records involving millions of customers over a multi-year period.

*International heavy industry, investigation* - Led the data collection and analytics team in a "shadow" investigation of the accounting performed by a major Japanese company's accounting for cost overruns associated with the building of nuclear power plants.

*Restaurant franchisor, franchise fee analysis* - Performed an investigation on behalf of a pizza restaurant franchisor who asserted that multiple franchisees were underreporting the amount of sales. After an extensive

analysis, our team was able to determine that there was a direct correlation between the amount of cheese each store purchased and the sales at a given store. By developing a regression analysis, we were able to direct the franchisor to the stores that were most significantly underreporting sales. Our analysis resulted in a substantial increase in the reported sales by each franchise resulting in an increase in the fees collected by the franchisor.

*National restaurant chain, data analytics* - Assisted a major restaurant chain in their defense of an IRS audit claim where the IRS had alleged that the chain had underreported the amount of server tips associated with large dining parties. This underreporting allegedly resulted in the restaurant chain owing \$35 million in additional taxes. Using data from the client, our team was able to develop an algorithm that analyzed the actual (non-automatic tipping) that occurred with the company's restaurants which was successfully used to demonstrate to the IRS that the restaurant chain had not underreported tips. Ultimately the IRS dropped the \$35 million claim.

*Oilfield services, theft of trade secrets* - Investigated a theft of trade secrets claim on behalf of a major international oilfield services company. In this case, multiple key employees left the employment of our client and established a competing company based allegedly on the trade secrets of our client. This engagement required the adherence to data protection laws in the European Union as well similar laws in Singapore.

*Telecom, FCC investigation* - Assisted a major telecom company in defense of an allegation by the FCC that the company was not properly screening to prevent fraud in the Life-line program for low income consumers. My team developed an algorithm to identify customers who were potentially involved in fraud schemes and helped our client resolve the FCC's complaint.

*Telecom, internal control investigation* - Investigated an internal control weakness that was inherent in a major telecom company's sales channel. The telecom company was selling phones through its non-owned stores (dealers) as well as through third party re-sellers (major retailers). Phone customers were able to purchase phones at dealers and return the phones to major retailers. The sales commissions paid to the dealers were not being reversed, resulting in millions of dollars of losses to the telecom company. Our work involved quantifying the amount that should have been clawed back from each dealer. In addition, our team developed a way to fix the internal control weakness thereby preventing the unnecessary and duplicative payment of commissions.

*Healthcare, evaluation of ESI* - Led the effort to properly evaluate the adequacy of the analysis of the electronically stored information (ESI) that existed in the business records of medical products manufacturing company that had been accused of an accounting fraud.

*SEC registrant, stock option backdating* - In connection with an investigation of stock option backdating working for a NYSE listed client, led a team that located and analyzed the granting of stock options to key employees over time and tracked the timing of changes to the strike price compared to the market price. This information was used to correct accounting for the re-pricing of the stock options.

*Major university, investigation* - Led the collection and analysis of primarily non-financial data in multiple Title IX investigations (Title IX prohibits the exclusion of any person from participation in any academic program based on sex) for a large private university.

*Financial institutions, workouts* - Performed a detailed analysis of \$750 million worth of troubled loans backed by collateral ranging from churches to manufactured homes. Successfully negotiated workouts for these troubled loans with the senior executives of the financial institutions in an effort to prevent the institutions from being seized by a quasi-governmental insurance fund. These workouts had to be approved by the board of the quasi-governmental agency and virtually all of the loans that were part of this engagement have now been repaid as agreed in the workout without forgiveness of principal.

*Broker/Dealer, subpoena compliance* - Advised and assisted a broker/dealer client with compliance of DOJ and SEC subpoenas. Made recommendations that reduced their cost of responding to document requests and on-going preservation costs.

*Automotive, contract dispute* - Working on behalf of the plaintiff, a company in the automotive industry, examined a data interchange arrangement and testified that the data that was being provided to the defendant for integration into a computer system was, in fact readable and able to be integrated. The testimony was key in demonstrating the plaintiff's case to the arbitrator and resulted in favorable ruling for the client.

*Capital murder, data alteration* - Testified on behalf of a defendant in a California capital murder case. The testimony proved that the police investigators intentionally altered a document. The testimony resulted in the exclusion of the altered document and the admission of the authentic document into evidence during the appeals process and resulted in a new trial. In court testimony was provided at both the appeal as well as the re-trial.