Identifying unethical procurement

- Quarterly communication network audits monitor and reveal unusual behaviour
- No need to analyse message content
- AI and ML techniques identify hidden threats
- Identify all aspects of bad buying behaviour – collusion, favouritism, bribery, breaches of confidentiality, child labour

Ethical procurement is no longer a 'tick box' exercise and organisations recognise their role in wider society and duty to operate ethically. Companies strive to go above and beyond consumer expectation which is why it is so damaging when individual employees behave in ways that are at odds with the organisation's values.

Unethical procurement has a broad definition and includes immoral and illegal practices such as infringements of human rights, bribery, favouritism, coercion and illegal sourcing. However broad the definition, the effects on an organisation are very specific - dramatic financial cost and reputational damage.

Despite the risks, organisations do not, in general, formally audit for unethical behaviour. Any audits that do occur will only examine the known operational environment which, critically, means companies only discover what they already know. It means organisations struggle to identify unethical procurement behaviour when it occurs and put preventative measures in place.

In addition, with businesses generally having only 50% - 80% of their spend fully visible through spend management processes, significant levels of spend are not scrutinised presenting opportunities and temptation for unscrupulous employees.

Communication Network Audits – Practical Steps Enabling Ethical Procurement

FACT360 uses specific proprietary Artificial Intelligence (AI) and unsupervised machine learning (ML) algorithms to analyse the thousands of procurement related emails and messages circulating within an organisation to identify all 'out of the ordinary' communication - whether it is between employees themselves or employees and suppliers.

The science underpinning the analysis, shows it is possible to gain valuable insight by analysing information flows throughout an organisation without reading the content of the emails themselves. And monitoring subtle changes in communication patterns, without relying on search terms related to known threats, helps identify unspecified behaviours and mitigate the hidden risks to business.

All anomalous communication and behaviour is flagged automatically alerting organisations to potential unethical practices.
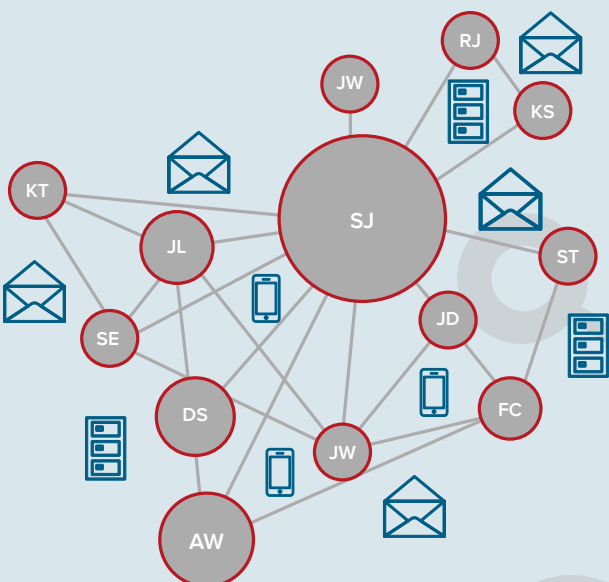
Investigate the anomalies

If suspicious behaviour is identified during the audit, it is possible to escalate the investigation and analyse specific communications to see whether unethical behaviour has occurred. AI and unsupervised Machine Learning techniques automatically identify the topics and overall 'concepts' being discussed and all conversations are categorised using industry standard taxonomy.
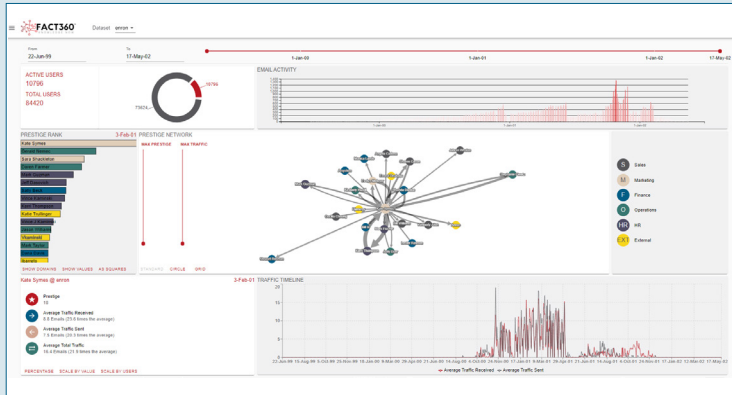
When searching the data, there is no need to define search terms so any biases are removed from the investigation and searches are not limited by investigators' knowledge or pre-conceptions.

Customisable dashboards make the information accessible allowing organisations to identify and correct unethical procurement activity if it occurs.
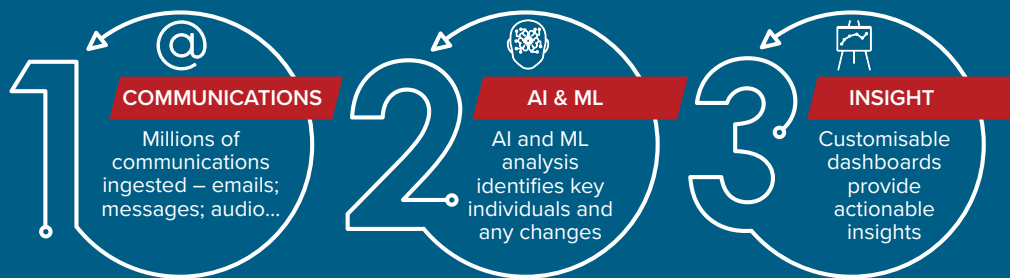
Unethical procurement exposes organisation to reputational and financial risk and business leaders to potential prosecution should unethical behaviour extend into fraud.

FACT360's analytical capability to identify anomalous communication allows organisations to reveal previously hidden insights to ensure ethical procurement standards are upheld.
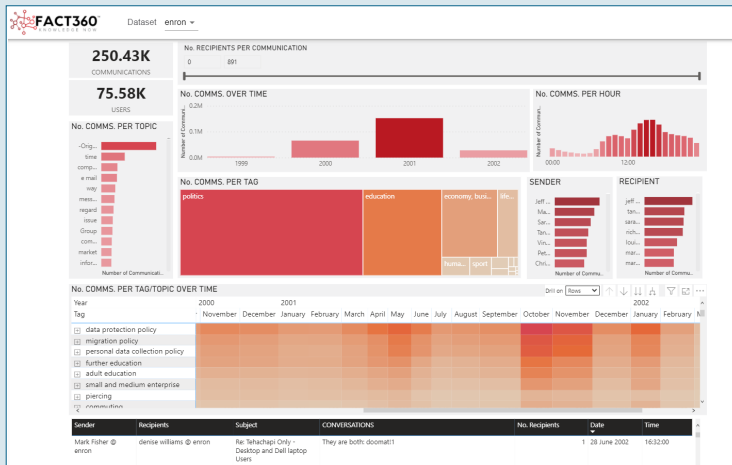
Get in touch to see how you can use your own communication network to help identify and provide protection from unethical procurement.

A THREE-STEP PROCESS

1

COMMUNICATIONS

Millions of communications ingested – emails; messages; audio...

2

AI & ML

AI and ML analysis identifies key individuals and any changes

3

INSIGHT

Customisable dashboards provide actionable insights

ABOUT FACT360

FACT360 is a UK company pioneering the use of AI and unsupervised Machine Learning to help organisations find critical information that exists within their communication flows.

Underpinned by leading edge academic research, its practical solutions generate results that are impossible to achieve in other ways.

Established in 2017, FACT360's solutions are widely used in fraud and insider threat investigations and it also applies its technology more broadly providing businesses with fact-based rationale on which to take strategic decisions.

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