

Fortifying Legal Work Against Fraud

White Paper

TUNGSTEN
AUTOMATION

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Safeguarding Legal Work with Fraud Detection: Tungsten Automation Connectors for Advanced Safety

Few problems affect virtually every type of business, like fraud. Every year, swindlers create [billions of dollars of losses](#) for organizations worldwide. By one metric, fraud saps almost 5% of the total value of an organization's annual revenue. Without fraud detection, these costly problems can also have more extensive impacts. Deceit harms reputations and exposes individuals to issues such as identity theft. No sector is safe—not even the legal industry.

Fraud is deliberate deception or dishonesty used with the intent to commit a crime. Most often, these crimes involve stealing money or property. Some fraud deprives individuals of contractual rights or deserved compensation. Clients might submit fake information. Vendors could try to charge for services not rendered. Outside security breaches and phishing attempts can also threaten your organization.

Nevertheless, not every threat comes from outside the firm. Opportunities for fraud exist within companies, too. Even lawyers themselves might defraud their firm of money by falsely billing for hours or services. Companies are at risk without robust document security and a clear action plan to prevent fraud.

Files move around constantly in legal work. How many firms exercise clear and thoughtful controls over their documents? Tracking changes, verifying document integrity, and confirming that a document is genuine are all potential problem areas. Failing to detect or prevent fraud can lead to financial and reputational damage—even scrutiny from regulatory or professional groups.

Better technology and intelligent automation are at the heart of anti-fraud efforts for legal practitioners. This white paper explores the challenges and difficulties organizations currently face. We'll also investigate how intelligent automation platforms and Tungsten connectors integrate your systems and contribute to a more robust anti-fraud approach. Here's what firms should consider.



Exploring the Most Common Types of Fraud Threats in the Legal Arena

Business fraud in the legal space occurs in several forms. These deceits are often successful because bad actors can tamper with documents but remain undetected. The first step towards closing loopholes and combatting fraud is understanding threats. Where are there opportunities for fraud in your business? How much transparency does your system offer to notice when something isn't quite right? Here are a few areas most likely problematic for your firm.

Expense account and reimbursement frauds

This internal threat arises from employees who try to steal from the business by claiming inappropriate expenses. For example, a legal team member on a business trip claims expenses such as the hotel room and meals. However, the individual might try to claim reimbursement that is far beyond reasonable. This form of organizational theft is prevalent. Detecting expense fraud is essential to stop financial losses.

Billing fraud

Internal and external actors could perpetrate billing fraud against your organization. The outside risk originates with your suppliers, vendors or third-party support organizations. These groups may try to inflate the value of their contracts with you by submitting fraudulent invoices. These invoices might be for services not rendered, more goods than were delivered, or other purposes. Such invoices deviate from expected patterns inconspicuously.

Logging hours and billing per hour is a standard practice in this sector. Members of the legal team may also commit billing fraud. Firms must monitor and flag inflated invoices that don't align with an individual employee's typical compensation.

Falsified documents or statements

Not every threat to legal teams relates strictly to the firm's finances. Document fraud can occur elsewhere in the organization. Unscrupulous individuals may alter evidence in digital documents to derail a case or claim against them.

In the famous case of the FTX cryptocurrency collapse, the media reported on how individuals in the company tried to backdate and forge digital signatures in official filings. Firms must take precautions to detect such potential fraud before it impacts actual proceedings.

Weak document security opens the door to fraud in all these cases. Outdated working methods and highly manual processes create opportunities for deceit. Today, organizations must embrace technology to secure systems.

Embracing Modern Solutions for Advanced Fraud Detection

Traditional fraud detection methods might use some technology but primarily rely on human intuition and pattern recognition. Anti-fraud measures might require inspecting thousands of pages with the proverbial microscope, and many review steps occur by hand. These efforts aren't just time-consuming and costly—they're inherently flawed. Even the most dedicated anti-fraud professional might make a mistake because of fatigue or distraction. Small mistakes can add up to considerable costs.



These shortcomings are why many firms experience shortcomings in the security space today. However, it no longer has to be that way. There are innovative new ways to combat fraud more cost-effectively and successfully. The rise of automation technology is critical to this sea change. So, too, is the advent of more advanced machine learning algorithms and document-ready artificial intelligence.

These solutions have the potential to revolutionize anti-fraud activities. Other advanced software supports that goal. For example, an enterprise-level document management system is essential for controlling document access and encrypting sensitive information. Document editing solutions like [Tungsten Power PDF](#) also provide encryption and secure digital signing solutions. Add permissions to documents to restrict editing or require a password to make changes effortlessly.

Controlling access to sensitive data in the workplace is also easier with [print management solutions such as Printix](#). "Print to me" and secure release functionality means fewer opportunities to misappropriate documents waiting for collection in a printer tray.

Investing in better software for more intelligent control of your documents is just the first step. There are other solutions you need to bring into the fold.

Incorporating Early Warnings Through Data Analytics

There are many strategies and schools of thought around reducing fraud. Many efforts begin with organizational and structural changes. For example, eliminating internal weaknesses that create windows for crimes of opportunity is a vital step. Stricter document controls and better software for managing those documents also help. However, these are just the first lines of defense. Though necessary, these changes alone can't wholly protect against threats.

The key here is turning to the insights hidden in the data available to your organization.

Today's AI and ML systems make data analytics more accessible and powerful. You create an early warning system by analyzing your data with an eye toward fraud detection—train models on pattern recognition to understand the structure and content of typical documents. Deviations in document patterns can be so minor that humans cannot detect them—but an AI assistant can spot these anomalies.

When it does, your automated system can raise a red flag early on and trigger an investigation. This process, correctly configured, calls in human help at the right moment to confirm a genuine problem. However, you'll need a way to develop the automation workflows to power this process—and a way to feed documents and data to your assistants. Our partners and we deliver those solutions.

Building Intelligent Solutions to Fight Fraud with Tungsten

Initially founded in 1985, Tungsten has remained dedicated to staying on the cutting edge of business technology ever since. Today, we are a leading provider of a wide range of intelligent automation solutions. These solutions enable companies to accelerate processes, supporting full-scale development and low-code/no-code applications. Our mission focuses on preparing organizations for the future of work by providing clear, actionable options for modern, complex problems.



Our focus covers many areas, but we are particularly interested in supporting fraud prevention. As mentioned, our Power PDF and Printix products support routine document security practices. Smart document handling is an integral element of anti-fraud processes. However, today's environment demands you go farther. Any instance of fraud can be a serious concern for legal teams.

Tungsten platforms offer the ideal framework for developing fraud prevention mechanisms. [TotalAgility](#), for example, is a robust and highly versatile platform for business process automation. Tungsten RPA works in a support role by carrying out rules-based tasks usually performed by humans. RPA is key for connecting systems and manipulating data during critical workflows.

At Tungsten, we partner with industry experts and development teams to offer additional functionality. Our [Marketplace](#) is a centralized resource where you can find the means to connect systems for advanced anti-fraud activity. Marketplace solutions save you the cost of an entire development cycle to build a proprietary system. The right choices can promote faster deployment and a robust ROI in less time.

Advanced Connectors and Tungsten Solutions for Fraud Detection

The Tungsten Marketplace features dozens of connectors designed to help integrate systems and facilitate smoother data flow across organizations. Some give legal practitioners direct access to powerful tools for detecting and combating fraud. Tungsten connectors are simple to set up and help centralize data across processes for in-depth analysis. Consider what you could achieve with some of these solutions.

TotalAgility Connector to Resistant.AI

Resistant.AI is an advanced anti-fraud detection tool built on a specially-trained learning model. This solution can apply over five hundred fraud detection methods to documents and images. Simply configure the solution to detect even the most minor elements of suspicion, such as metadata discrepancies.

Using this connector, you can pass documents and image data from a TotalAgility process directly and securely to the [Resistant.AI system](#). In seconds, you'll receive an evaluation of the files. Set up automatic flagging to alert your fraud team to review anomalous documents. Annotations make it easy to spot what the AI detected as possible fraud. Scrutinize suspicious areas in documents or images to scrutinize possible changes.

AI Document [Fraud Detection with Inscribe AI](#)

This connector, developed by the independent Tungsten Labs, offers functionality similar to the Resistant.AI solution. This tool uses a machine learning model built to detect fraud by forgery. Specifically, you can use this connector to pass along documents such as bank statements, payroll reports and more to an intelligent system.

This solution identifies forgeries by detecting file modifications or data corruption. It can also determine when a document doesn't align with expectations compared to prior work. Based on the watched folder functionality, you can construct processes that move documents directly from an intake process (such as scanning) into the fraud analysis workflow.

The AuthenticID Connector for TotalAgility

Handling identification documents isn't uncommon in some legal work. For example, the legal team at a bank might be responsible for conducting Know Your Customer efforts or engaging in anti-fraud investigations. Verifying that IDs are valid, legal and legitimate could prevent some of the most undetectable fraudsters. Like the other solutions, [AuthenticID](#) leverages advanced AI to uncover forgeries. ID data captured using other Tungsten solutions can flow through a TotalAgility process for analysis and reporting.

Each of these solutions demonstrates advanced capabilities and is ready for exploration now. Instead of months of work and tens of thousands of development dollars, you can now equip your legal processes with excellent anti-fraud capabilities.

The Advantages of Investing in Fraud Prevention Today

Astute technological investments can change how your firm handles fraud prevention. Internally, the advantages will be easy to see. Financial losses from fraud may diminish or even discontinue. Stricter document controls translate into greater compliance confidence. More importantly, there can be external benefits, too.

Preventing fraud can stop potential negative impacts from reaching your clients. Avoid the cost and stress of exposure to legal liability due to fraud or mishandled documents. Fulfill your regulatory duties. Safeguarding your data, using it for deep analysis and leveraging the power of AI to spot anomalies are all worth the investment. Ultimately, these efforts help protect the integrity of your organization and the legal profession.

Clients and others expect those working with the law to uphold high standards of professionalism. Succumbing to fraud can expose weaknesses that raise other reliability and trustworthiness questions. With support from Tungsten solutions and intelligent automation, you can stay one step ahead of a threatening environment.

Preparing Your Firm for Today's Digital Document Landscape

Fraudsters will consistently seek new ways to cheat the system for money. Internal threats remain common, even in the legal field. Legal professionals can now control anti-fraud measures by leveraging AI-powered and advanced document automation insights.

Make fighting fraud a routine and reliable part of your workflows—leverage Tungsten connectors and marketplace solutions to develop an integrated data environment that offers valuable insights. Create processes to analyze anomalies, identify fraud, and stop problems at the source. Harden your legal workflows against wrongdoing with advanced fraud detection. Uphold the values and integrity that drive your firm—and continue to create success for your clients.

About Tungsten Automation

Tungsten Automation, formerly Kofax, is the global leader in intelligent automation solutions with a trusted legacy of nearly 40 years, with a team of 2,000+ employees in 40 countries, serving 25,000+ global customers. Our dedication to innovation and customer success has earned us industry recognition, including being named a leader in Intelligent Automation (IA), Intelligent Document Processing (IDP) and Process Orchestration by top analysts. We are trusted to help businesses gain unprecedented efficiencies and reduce costs through AI-powered workflow automations that propel their businesses into the future.

To learn more, visit www.TungstenAutomation.com

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