



Tracing Analysis

Professor Gordon Klein, Lecturer in Accounting at UCLA Anderson School of Management, was retained through Vega in a matter brought by a group of insurers who alleged that defendants improperly billed for laboratory testing services.

Using a tracing analysis, Professor Klein analyzed (1) whether certain bank accounts consisted of comingled funds at various times during the relevant period, and (2) whether disputed payments could be traced to the defendants if they passed through the comingled accounts.

The Vega team assisted Professor Klein in the review of thousands of documents provided by counsel associated with several bank accounts owned by defendants. Using the results of this review, Professor Klein analyzed whether the accounts consisted of comingled funds and that a tracing analysis would be required to determine whether funds could be specifically traced to the defendants.

As part of this engagement, Vega assisted Professor Klein by creating an illustrative example of how funds could be traced through a hypothetical commingled account using four different tracing assumptions. These assumptions included the lowest intermediate balance, the first-in first-out, the last-in first-out, and the weighted average approach.

About Vega Economics

Vega Economics provides economic consulting and expert testimony in all phases of complex litigation and regulatory proceedings. We work with an extensive network of academic and industry professionals that provide support in a variety of practice areas. We always pair the best suited consultant or expert witness for each case. For additional inquiries, please contact info@vegaeconomics.com.