

In-Class Assignment DFF1: Wirecard Red-Flag Dashboard

Context. You are a BaFin analyst in 2019 reviewing Wirecard AG. Six public disclosures from 2016 to 2020 are on your desk: **(i)** 2016 FT Alphaville series alleging round-tripping in third-party acquirer (TPA) partners; **(ii)** 2018 EY signs off on €1.9B “escrow cash” in Philippines without confirmation; **(iii)** Q4-2018 trading profit attributed 55% to 3 TPAs in Dubai, Manila, Singapore; **(iv)** 2019 KPMG Special Audit, ordered by Wirecard’s own board, cannot verify €1.0B of €1.9B; **(v)** March 2020 BaFin issues a 2-month short-selling ban on Wirecard stock; **(vi)** June 2020 €1.9B “confirmed missing, probably never existed”.

Q1. Classify each of the 6 disclosures as **RED** (requires immediate investigation), **YELLOW** (heightened monitoring), or **GREEN** (routine). One line justification each.

Q2. Compute the **cumulative red-flag score** using RED = 3, YELLOW = 1, GREEN = 0. At what score should BaFin have opened a formal investigation, in your view?

Q3. Beyond BaFin, name **one third-party actor** whose incentive-misalignment contributed to the 4-year delay. One sentence.