



LANSING CHAPTER OF THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS

Board Member Address

Greetings, Fellow Chapter Members!

I am pleased to announce our Fall Conference on October 12, 2017. We will be hosting speaker Tom Golden for Advanced Interview Techniques - one of the ACFE fan favorite topics. This is sure to be an entertaining and insightful presentation that will stick with us long after our training.

We continue to make headway on our Spring 2018 Conference, with an anticipated topic of Detecting Deception in an Interview and hope to have a notice to all of you soon.

Our annual meeting has brought to us several new board members as some of our familiar faces are moving on. For everyone who has served, we sincerely thank you for volunteering your time and efforts over the past several years. Our new members have already proven to be dedicated and enthusiastic individuals who are making an impact with the chapter!

As always, if you have any suggestions for improvement to the chapter, please feel free to contact me, or any of the rest of the board members. Likewise, if you have questions, or would like information on how you might be able to help out, please let one of us know!

Looking forward to seeing you soon!

Chris Schafer

LACFE Chapter President

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Fraud Talk Podcast

The Problem With Too Many Choices

This podcast features Bret Hood, CFE, the director of 21st Century Learning & Consulting. Bret explains how fraud examiners can suffer from choice paralysis when receiving large amounts of information through data analytics. This podcast is a product of the ACFE and may be downloaded at <http://www.acfe.com/podcasts/The-Problem-with-Too-Many-Choices.mp3>

UPCOMING EVENTS

LOCAL:

Lansing Chapter of the ACFE - Fall Fraud Conference

October 12, 2017

Lansing, MI – Michigan Library & Historical Center Forum

Speaker - Tom Golden

Learn More at http://www.lansingacfe.com/?page_id=90

Lansing Chapter of the ACFE – Winter Fraud Conference

February 2018

Grand Rapids, MI

More details to come...

AGA Luncheon

October 17, 2017

Lansing, MI – Site to be determined

Learn More at [http://www.lansing-](http://www.lansing-aga.org/EventCalendar/EventDetails.aspx?ItemID=81&mid=24&pageid=22)

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AGA Webinar – Ethics In Fraud

November 15, 2017

Lansing, MI – Site to be determined

Learn More at [http://www.lansing-](http://www.lansing-aga.org/EventCalendar/EventDetails.aspx?ItemID=89&mid=24&pageid=22)

[aga.org/EventCalendar/EventDetails.aspx?ItemID=89&mid=24&pageid=22](http://www.lansing-aga.org/EventCalendar/EventDetails.aspx?ItemID=89&mid=24&pageid=22)

NATIONAL:

2017 ACFE Law Enforcement & Government Anti-Fraud Summit

October 30, 2017

Washington, D.C.

Learn More at <http://www.acfe.com/fraudsummit2017.aspx>

Effective Report Writing for Fraud Examiners

November 1, 2017

Chicago, IL

Learn More at <http://www.acfe.com/events.aspx?id=4294998132>

Government Fraud

November 2, 2017

Chicago, IL

Learn More at <http://www.acfe.com/events.aspx?id=4294998133>



If you have an event that you would like posted in our newsletter or if you wish to share an article, please contact Melanie Marks at lacfemrmarks@gmail.com

YOU just might be who we are looking for!

The Lansing Chapter of the ACFE is looking for a few wonderful people to join our Member-At-Large section of the Board.

Heading a committee is strictly voluntary and NOT a requirement.

Attendance at Board meetings is made easy since we generally hold a monthly telephone conference call on the first Wednesday of the month at 9:30 a.m.

You will have input into how our Chapter is administered.

You will have the ability to assist in shaping our Chapter for the future. Helping us grow and meet the needs of our membership.

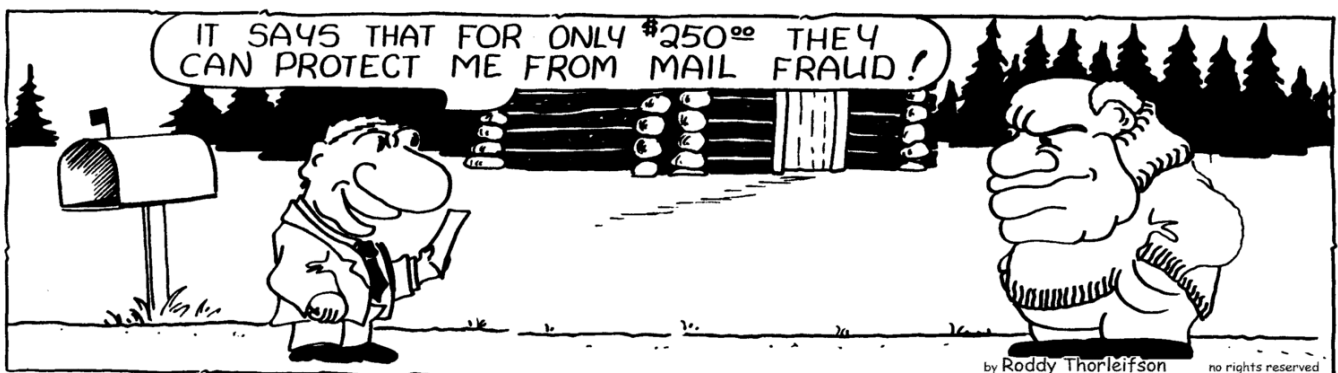
If you are interested and would like more details, please contact our president or vice-president at any time. We would love to have you!

Email

Chris Schafer at president@lansingacfe.org

or

Mark Lee at vicepresident@lansingacfe.org



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Anatomy of An Interview

Part I: How to Best Solicit The Truth

By James I. Marasco, CPA, CIA, CFE

James is a partner at Stonebridge Business Partners.

stonebridgebp.com

A properly planned interview can yield much more than simply learning about a subject's background information. Techniques such as behavior analysis can be used to determine whether someone is being truthful or deceitful. By incorporating behavior-provoking questions during the session, the interviewer can observe and analyze verbal, as well as nonverbal, responses.

Verbal Responses

The interviewer begins with general nonthreatening questions. These include biological information, employment information, casual conversation, etc. The interviewer then asks a series of open-ended questions, structured to allow the interviewer to evaluate the response against how a truthful or deceitful person would reply. Each question touches upon a particular topic. The topics and their aims include:

- Purpose – Truthful subjects can usually identify the issue in detail.
- History – Truthful subjects offer spontaneous, direct and sincere denials.
- Suspicion – Truthful subjects will substantiate any suspicions.
- Elimination – Truthful subjects will eliminate people from suspicion.
- Credibility – Truthful subjects acknowledge the crime or act.
- Punishment – Truthful subjects generally call for strong punishment.
- Denial – Truthful subjects offer direct denial and consider the seriousness of the offense.
- Second Chance – Truthful subjects will reject the idea of leniency.
- Results – Truthful subjects expect investigation results to be favorable.
- Bait – Truthful subjects reject the implications of a bait question.

For example, a question related to punishment may be phrased: "If an individual was found to be stealing from this company, what would constitute a fair punishment?" An honest person is more inclined to offer that a harsh punishment should be handed down: "They should be put in jail and forced to pay it back." A guilty person is more apt to lobby that lenient consideration should be given to the

individual. They may even argue that extraneous circumstances justify the actions. “They might have been cheated by the company and took what was owed to them.”

Nonverbal Responses

Physical behavior also plays a key role. The mannerisms of a person answering deceitfully could include:

- Staring away from interviewer or failing to maintain eye contact
- Answering with a nonverbal response such as a shake of the head
- Qualifying their answers or using religion or oaths to support their statements
- Fidgeting, tapping their feet or rocking in their chair
- Sweating noticeably, sighing heavily or breathing deeply

At the end of the questioning, both the verbal and nonverbal responses are reviewed and evaluated. This approach has been found to be highly effective on most people and helps make the interview an integral part of your overall case.

Anatomy of An Interview

Part II: Why A Trained Interviewer Is Critical

By James I. Marasco, CPA, CIA, CFE

James is a partner at Stonebridge Business Partners.

stonebridgebp.com

Conducting a third-party or corroborative interview is a key step in most fraud investigations and should be conducted by experienced professionals. There may be only one chance to interview an individual in an investigation, so investigators must make the most of it. It is important that a trained investigator conduct that interview. Interviews are “the stock-in-trade of investigators,” Joseph Wells, chairman and founder of the Association of Certified Fraud Examiners, said in the February 2007 issue of The CPA Journal. There are legal implications that should be considered. Tape recording interviews, issuing Miranda rights and using interrogation techniques are areas that should be left to experts. Interviewing techniques vary. Our trained experts can help you understand the process. The basics follow.

Being prepared

The most efficient and productive interviews are accomplished by advanced preparation. Questions should be prepared ahead of time along with evidential material that will be introduced during the

interview. Having documents at your fingertips will move things along more quickly and offer the impression that your case is organized and solid.

Gaining cooperation

Employees have a duty to cooperate during an internal investigation as long as what is being requested is reasonable. The fraud investigator must be careful to voluntarily seek the assistance of the subject and not restrict his or her ability to leave the interview. During the introductory phase of the meeting, the objective should be to reduce the subject's anxiety, establish a rapport and set the format of the discussion. Notes can be taken as the interviewer works through the initial stages of the interview. Always note the subject being interviewed, date, time and place where the interview is being conducted. Changes in body language and tone to specific areas of questioning should also be noted.

Explaining the purpose

Once background data is gathered, the interviewer should introduce the purpose of the task without giving away too much information. For example, you might explain that you are seeking the individual's cooperation in learning about possible inventory shrinkage at the warehouse, not necessarily that the subject is the suspected target of the investigation.

Questioning the subject

While questioning an individual, the interviewer should consider certain protocol.

- Use open-ended questions that offer little information but force the subject to speak about the topic. For example, "Explain to us how the cash deposit is prepared each evening."
- Don't interrupt. Allow the subject to speak freely and offer ample time before directing additional questions.
- Don't offer information and don't do most of the talking. The investigator's role is to gather information.
- Clarify ambiguities without challenging. Inconsistencies may reveal lies that have been told. Be sure to follow up on these points, but don't alienate the subject. Your job is to use the information gathered as one piece of the investigation.

Closing the interview

The interview should be wrapped up once you have exhausted your questions and determined that no more relevant information can be gleaned. Be sure to inquire whether the subject has anything more to add or whether something else should be discussed. Provide subjects with your contact information in case they think of something later. Likewise, request their permission to contact them for additional information or clarification as your investigation proceeds. Finalize by thanking

Using the interview as a tool

Once the interview is completed, promptly type up your notes. It's best to summarize while thoughts and observations are fresh in your mind. If another individual was in the interview with you, compare notes and discuss relevant points revealed during the discussion. Depending on the success of your interview, your fraud case can be set in motion. Experienced investigators use this opportunity to build their case. It could be the most rewarding aspect of an investigation.

First published in *Fraud Matters* Spring 2007 taken from

<https://stonebridgebp.com/library/uncategorized/anatomy-of-an-interview-part-i-how-to-best-solicit-the-truth/>

QUOTE OF THE MONTH

"Corruption, embezzlement, fraud, these are all characteristics which exist everywhere. It is regrettably the way human nature functions, whether we like it or not. What successful economies do is keep it to a minimum. No one has ever eliminated any of that stuff."

Alan Greenspan