



# LANSING CHAPTER OF THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS

## Secrets To Surviving Pressure

What is the difference between regular people and uber-successful people? It is not because the latter group thrives under pressure. It is because they are better able to mitigate its negative effects.

So, what are some of their secrets?

- \* Think of those times of extreme pressure as a fun challenge.
- \* Remind yourself that every situation is an opportunity.
- \* Always focus on the task; never on the outcome.
- \* Go ahead and play out “What if” scenarios. It may brace you for a worst-case scenario in case they do happen.
- \* Take control of the situation before it controls you.
- \* Recall past successes.
- \* Stay Positive. No one enjoys a negative person.

You have done this before and can do it again!

## IN THIS ISSUE

**Board Member  
Address**

**Fraud Talk Podcast –  
The Stories Behind the  
Numbers**

**Upcoming Events &  
Conference  
Description**

**In The News**

**Fighting Medicare  
Fraud**



## Fraud Talk Podcast

**The Stories Behind the Numbers**

Each of the 2,690 real cases of occupational fraud reported in the ACFE’s Report to the Nations has a unique story behind it. Dive deeper by listening to these case studies submitted by CFEs and read by members of the ACFE staff. This podcast is a product of the ACFE and may be downloaded at [https://www.podbean.com/media/share/pb-tu4h5-af460c?utm\\_campaign=w\\_share\\_ep&utm\\_medium=dlink&utm\\_source=w\\_share](https://www.podbean.com/media/share/pb-tu4h5-af460c?utm_campaign=w_share_ep&utm_medium=dlink&utm_source=w_share)

# UPCOMING EVENTS

## LOCAL:

### **Lansing Chapter of the ACFE – Fall Fraud Conference**

October 22, 2019

Lansing, MI – site to be determined

Speaker – Marilyn Peterson, CFE, CICA

Topic – "Detecting Fraud by Following the Money"

See page 3 for presentation description



### **Michigan Chamber of Commerce**

July 30, 2019

Lansing, MI

Learn More at <https://www.michamber.com/seminars/conflict-resolution-strategies-workplace>

### **Michigan Chamber of Commerce**

Workplace Fraud, Theft and Cyberattack Prevention

August 13, 2019

Lansing Chamber of Commerce

Learn More at <https://www.michamber.com/seminars/workplace-fraud-theft-and-cyberattack-prevention>

## NATIONAL:

### **Webinar – Conversation with an Insider Trader**

July 25, 2019

ACFE

Learn More at <https://www.acfe.com/webinar.aspx?evtid=a3Y1Q000002rWkfUAE>

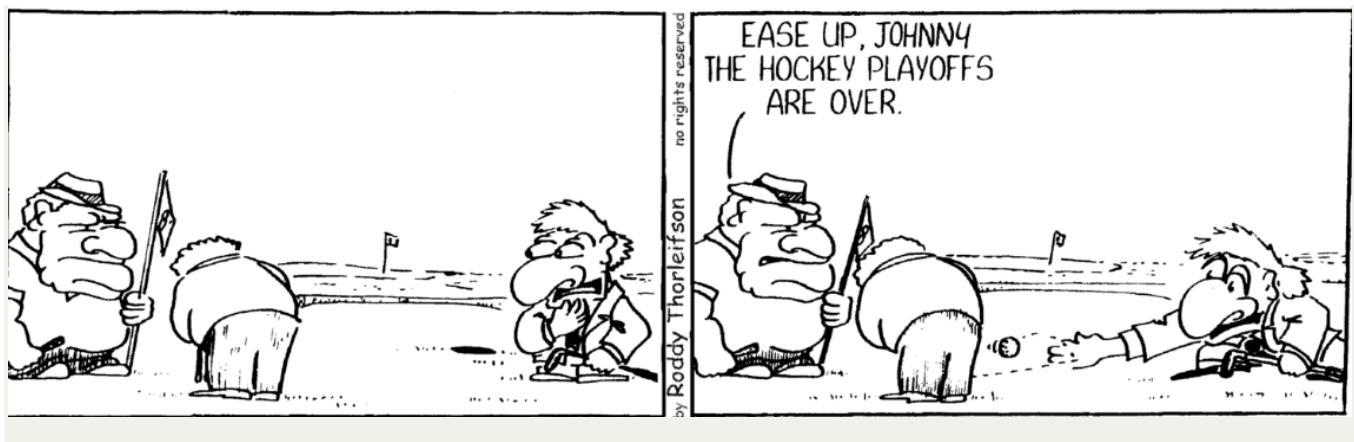
### **Event – Controlling Risk of Asset Misappropriation**

July 30-31, 2019

ACFE

Learn More at <https://www.acfe.com/events.aspx?evtid=a3Y1Q000002rXDmUAM>

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 [lacfeemarks@gmail.com](mailto:lacfeemarks@gmail.com)



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## **Fall 2019 Fraud Conference Oct. 22, 2019**

### ***Detecting Fraud by Following the Money***

Presented by Marilyn Peterson, CFE, CICA

The Association of Certified Fraud Examiners (ACFE) reported losses of over \$7 billion due to fraud in the U.S. during 2017 and as much as nearly \$80 billion worldwide in that period. Where does all this money go and how are these profits hidden from detection? Fraud can be found in businesses from small to large, from a single embezzler to a large network of conspirators. Sometimes those facilitating the fraud are not the actual benefiter from it and following the money can lead us to those individuals.

By using ways to find and follow the money, we can detect the fraud earlier, we can shut down the profits of the fraud and we can identify properties obtained with illicit funds to make them vulnerable to freezing and seizing. Today's seminar guides us through the progress of fraud's profits and uses hands-on financial analysis exercises to underscore the efficacy of following the profits of fraud.

Marilyn Peterson is the Principal of Peterson Analytic Associates, LLC, in Virginia. She served as an intelligence analyst specializing in financial analysis for 25 years in Pennsylvania and New Jersey. She then taught intelligence analysis for the Department of Defense in Washington, DC, for 11.5 years.

Marilyn wrote *Applications in Criminal Analysis: A Sourcebook* in 1994 (Greenwood Press) and *A Guide to Analyzing Personal and Corporate Bank Records* in 1996. This was followed by *A Guide to Understanding and Analyzing Bank Secrecy Act Data* in 2002 and by *A Guide to Counter-Threat Finance Analysis* in 2006.

In addition, Marilyn has served on the ACFE Board of Regents and on the Board of the CFE Foundation. She has been involved in the International Association of Law Enforcement Intelligence Analysts (IALEIA) having served on its board in varied capacities, including president, and now sits on its Executive Advisory Board. She is currently editor of the *Journal of Intelligence and Analysis*. Her most recent publication is *Applications in Intelligence-Led Policing, Where Theory Meets Practice, (2018)* of which she was managing editor.



The Lansing Chapter was recognized at the 30<sup>th</sup> Annual ACFE Global Fraud Conference in Austin, Texas for contributing to the ACFE Foundation. Way to Go Team Lansing!

**ACFE FOUNDATION**

The ACFE Foundation thanks the following chapters for raising more than **\$70,000** in 2018 to support the future of the anti-fraud profession.

<b>DOUBLE PLATINUM</b> \$10,000 OR MORE	Houston Area	Central Ohio	New York
<b>PLATINUM</b> \$75,000 TO \$9,999	Vancouver	Las Vegas	
<b>DIAMOND</b> \$5,000 TO \$7,499		Alabama Area	Austin Area Maryland
<b>SILVER</b> \$1,000 TO \$4,999	Greater Chicago Arizona Dallas Area Washington DC Metro Area		Kentucky Lansing Long Island
<b>BRONZE</b> \$500 TO \$999	Utah Area Calgary Hong Kong Los Angeles Area	Montreal Northwest Florida San Diego Area Twin Cities	<b>OTHER</b> UP TO \$499 Pacific Northwest

*Thank You*

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## IN THE NEWS

*Michigan Patient Recruiter Sentenced to Prison for \$1.5 Million Kickback Scheme*

<https://www.justice.gov/opa/pr/michigan-patient-recruiter-sentenced-prison-15-million-kickback-scheme>

*Man Sentenced for Fraud Conspiracy and Identity Theft*

<https://www.justice.gov/usao-edva/pr/man-sentenced-fraud-conspiracy-and-identity-theft>

*California Man Charged and Agrees to Plead Guilty in College Admissions Case*

<https://www.justice.gov/usao-ma/pr/california-man-charged-and-agrees-plead-guilty-college-admissions-case>

*Miami-Dade School Bus Employees Used Kids' Personal Info in Fraud Scheme*

<https://www.nbcmiami.com/news/local/Miami-Dade-School-Bus-Employees-Used-Kids-Personal-Info-in-Fraud-Scheme-511968552.html>

*Bank Manager Hid Employee's Fraud to Hide His Own \$500,000 Fraud, Police Say*

<https://www.smh.com.au/national/nsw/bank-manager-hid-employee-s-fraud-to-hide-his-own-500-000-fraud-police-say-20190522-p51pzu.html>

*DA: Fraud ring led by Ller targeted small-business owners, denied loans*

<https://www.newsday.com/long-island/crime/fraud-small-business-owners-loans-1.32298054>

*Autonomy founder Lynch denies wrongdoing in HP fraud case*

<https://www.cnbc.com/2019/06/26/reuters-america-autonomy-founder-lynch-denies-wrongdoing-in-hp-fraud-case.html>

*Owner of Tampa-Area Medical Marketing Company Found Guilty in \$2 Million Medicare Fraud Scheme*

<https://www.justice.gov/opa/pr/owner-tampa-area-medical-marketing-company-found-guilty-2-million-medicare-fraud-scheme>

*Defendant Sentenced for Lying to the FBI and Obstructing Justice as Part of a Scheme to Extort a Federal Bankruptcy Judge*

<https://www.justice.gov/usao-sdca/pr/defendant-sentenced-lying-fbi-and-obstructing-justice-part-scheme-extort-federal-0>

*Nessel Brings Charges Against Genesee County Trio for Illegal Gambling Operation*

[https://www.michigan.gov/ag/0,4534,7-359-92297\\_47203-500637--,00.html](https://www.michigan.gov/ag/0,4534,7-359-92297_47203-500637--,00.html)

# Fighting Medicare Fraud

By Stephanie Wood, CPA, CFE, CIA

Stephanie is part of the Leadership Team at Stonebridge Business Partners.

[stonebridgebp.com](http://stonebridgebp.com)

The Medicare program provides health care benefits to Americans aged 65 and older and to younger people with some disability status. On average, Medicare covers about half of the healthcare charges for those enrolled. According to the American Association of Retired Persons ("AARP"), approximately 44 million beneficiaries are currently enrolled in the Medicare program. This is expected to rise to 79 million by 2030. Along with the increase in enrollment and spending comes an increase in the risk for fraud within the program.

Medicare fraud involves knowingly submitting, or causing to be submitted, false claims or making misrepresentations of fact to obtain a federal health care payment for which no entitlement would otherwise exist. The AARP estimates that approximately \$60 billion was lost in 2017 as a result of Medicare fraud. These losses are bigger than some of the federal government's programs, such as Homeland security, with a budget of approximately \$40 billion.

## How is it Done?

According to Centers for Medicare & Medicaid Services ("CMS"), the following are several examples of common Medicare fraud schemes:

- Billing for services not provided: Providers will bill for services that were not performed, or continue to bill for services for a patient who is no longer at a facility or has passed away.
- Double billing: Billing twice for the same procedure or visit.
- Billing for phantom visits: Billing for a service that was never provided or for a visit that never happened.
- Billing for unnecessary services or tests: A provider fabricates documents and creates fake diagnoses to be able to perform unnecessary services, subsequently billing for these services.

- Billing for more expensive procedures than were actually performed: Billing for a more complex procedure when a simple one was performed.
- Misusing codes on a claim: Upcoding or unbundling codes.
- Accepting kickbacks: Accepting payment for referral of patients.

## Medicare Fraud in the News

Just this month, a Fort Myers doctor pleaded guilty to two counts of conspiracy to receive health care kickbacks, and could face up to 10 years in prison, as well paying a fine of \$2.8 million. The doctor started referring patients to a medical equipment provider, and had an agreement with them that he would get paid for the referrals. The kickbacks were paid as checks to the doctor's wife, who was given a phony position within the company to cover up the arrangement. In addition to the kickbacks, it was discovered that the doctor was submitting claims for tests that were not medically necessary.

In May 2018, a Texas doctor was being investigated for a case involving approximately \$240 million in claims that were based on fraudulent statements submitted to health care benefit programs, resulting in \$50 million paid to the doctor.

The Medicare Fraud Strike Force, first established in 2007, is a multi-agency team of the United States federal, state, and local investigators who help combat Medicare fraud through data analysis and increased community policing. The Force is coordinated by the Department of Justice and the Department of Health and Human Services. Just in the month of May 2018, the Force convicted a doctor in an \$8.9 million fraud scheme, another for \$8 million, and one for \$3.6 million.

While teams of individuals are out there fighting the fraud, it is important to know the warning signs to help prevent the fraud before it occurs.

## How to Prevent the Fraud

In an effort to reduce fraud, new Medicare cards are being released this year. The cards replace Social Security Number-based Medicare numbers with a new, unique, personalized Medicare Number, known as the Medicare Beneficiary Identifier. Each person with Medicare will have his or her own number, which is randomly assigned. This change offers better safeguards of important health and financial information for beneficiaries. This will make it harder for criminals to use social security numbers to falsely bill Medicare for services and benefits that were never performed.

In addition to the extra protection offered by the new cards, Medicare.gov suggests the following tips to help prevent fraud:

- Protect your Medicare card. Treat it like you would treat your credit card for security purposes.
- Remember that nothing is ever “free”. Don’t accept offers of money or gifts for free medical care.
- Ask questions: If you feel that a recommended procedure or treatment is unnecessary, you need to speak up.
- Educate yourself about Medicare. Know your rights and what can or cannot be billed.
- Use a calendar to record all of your doctor’s appointments and what tests you have. Reconcile these to your Medicare statements to ensure accuracy.
- Be wary of providers who tell you that the item or service isn’t usually covered, but they “know how to bill Medicare” so they will pay for it.

## How to Report Suspected Fraud

If you suspect fraud, Medicare.gov recommends calling 1-800-MEDICARE, reporting it online to the Office of the Inspector General, or calling the Office of the Inspector General Fraud Hotline at 1-800-447-8477.

It is recommended that you have the following information at the time of reporting to help



investigate the situation: provider's name and any identifying information, the service or item your questioning, the date the service or item was supposedly given or delivered, the payment amount approved and paid by Medicare, your name and Medicare number, and the reason you think Medicare should not have paid.

## Keep Fighting

The federal government has made great strides in recovering monies lost to fraud while trying to reduce the fraud that is perpetrated within the Medicare program. Even if you are not currently receiving benefits from the program, you should be concerned as you are paying into the program through your taxes. The more fraud there is, the higher the likelihood that the taxes will go up. The more awareness that is created around best practices and what to look out for, the better off we are in our efforts to prevent it from occurring.

## QUOTE OF THE MONTH

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**"Fraud is the ready minister of injustice."**

**Edmund Burke**



**"The nicest thing about the rain is that it always stops. Eventually." ~ Eeyore**