



# LANSING CHAPTER OF THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS

## Board Member Address

Happy September Fraud Fighters!

Our Annual Meeting was held in August and was a great success! Board Officers were elected at the meeting.

### Congratulations to our Officers:

- Mark Lee, CFE, President
- Bethany Verble, CFE, CPA, Vice President
- Chris Arsenault, CFE, CPA, Treasurer
- Melanie Marks, CFE, Secretary

Each Board member has an email address listed on our website in the event you have questions or concerns. We can also assist you on finding resources you may need. We are here for you!

Our upcoming Fall Conference is fast approaching. We have added an MICPA ethics speaker to the agenda for the conference this year. Seats will be limited, so register as soon as possible! See page 3 for more detail on our conference’s main topic and speaker. We hope to see you there!

### **Melanie Marks**

LACFE Chapter Board Secretary

## IN THIS ISSUE

**Board Member Address**

**Fraud Talk Podcast – Fraud is the New Black**

**Upcoming Events & Conference Description**

**In The News**

**Don’t Get Schooled: Scams Targeting Recent Grads**



## Fraud Talk Podcast

### Fraud is the New Black: 3 Frauds Perpetrated From Prison

Julia Johnson, CFE, Research Specialist at the ACFE, breaks down three recent case studies of frauds that were committed from behind bars. She explains how the schemes were perpetrated and what fraud examiners can learn from each case. This podcast is a product of the ACFE and may be downloaded at [https://www.podbean.com/media/share/pb-i9mxn-b854b8?utm\\_campaign=u\\_share\\_ep&utm\\_medium=dlink&utm\\_source=u\\_share](https://www.podbean.com/media/share/pb-i9mxn-b854b8?utm_campaign=u_share_ep&utm_medium=dlink&utm_source=u_share)

# UPCOMING EVENTS

---

**LOCAL:**

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

*October 22, 2019*

*Maner Costerisan Conference Room, Lansing, MI*

*Speaker – Marilyn Peterson, CFE, CICA*

*Topic – "Detecting Fraud by Following the Money"*

*See page 3 for presentation description*



**Michigan Chamber of Commerce**

Seminar - Effective Coaching and Mentoring Techniques

September 12, 2019

Walsh College, Novi, MI

Learn More at <https://www.michamber.com/seminars/coaching-and-mentoring>

**Michigan Association of Certified Public Accountants**

Webinar – Polished Public Speaking

October 01, 2019

Learn More at <https://store.micpa.org/Product/Details?productId=13349>

**NATIONAL:**

**ACFE**

2019 Fraud Risk Management Summit

October 17, 2019

New York, NY

Learn More at <https://www.acfe.com/frmsummit-2019.aspx>

**ACFE**

Webinar – Interviewing in a Forensic Investigation

October 30, 2019

Online

Learn More at <https://www.acfe.com/webinar.aspx?evtid=a3Y1Q0000030uU9UAI>

*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](mailto:lacfemrmarks@gmail.com)*



## 2019 Fall Fraud Conference

### ***MICPA Ethics***

Presented by Chris Harper, CPA (8am-10am)

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

Presented by Marilyn Peterson, CFE, CICA (10am-5pm)

Tuesday, October 22, 2019

Maner Costerisan, Suite 1, Conference Room  
2425 E. Grand River Avenue, Lansing, MI 48912

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.



## **Bad Blood: Secrets and Lies in a Silicon Valley Startup**

John Carreyrou

The full inside story of the breathtaking rise and shocking collapse of Theranos, the multibillion-dollar biotech startup, by the prize-winning journalist who first broke the story and pursued it to the end, despite pressure from its charismatic CEO and threats by her lawyers. In 2014, Theranos founder and CEO Elizabeth Holmes was widely seen as the female Steve Jobs: a brilliant Stanford dropout whose startup “unicorn” promised to revolutionize the medical industry with a machine that would make blood testing significantly faster and easier. Backed by investors such as Larry Ellison and Tim Draper, Theranos sold shares in a fundraising round that valued the company at more than \$9 billion, putting Holmes’s worth at an estimated \$4.7 billion. There was just one problem: The technology didn’t work. A riveting story of the biggest corporate fraud since Enron, a tale of ambition and hubris set amid the bold promises of Silicon Valley.

---

## **IN THE NEWS**

*Investment Adviser Sentenced to 70 Months in Prison for Stealing Millions of Dollars from Clients*

<https://www.justice.gov/usao-nj/pr/investment-adviser-sentenced-70-months-prison-stealing-millions-dollars-clients>

*Bay Area Home Health Care Provider, Doctors Charged In Medicare Fraud Scheme*

<https://sanfrancisco.cbslocal.com/2019/09/05/bay-area-home-health-care-provider-doctors-charged-in-medicare-fraud-scheme/>

*Telemarketer charged in \$1.2 bln Medicare fraud scheme pleads guilty in NJ*

<https://www.cnbc.com/2019/09/06/reuters-america-telemarketer-charged-in-1-point-2-bl-medicare-fraud-scheme-pleads-guilty-in-nj.html>

# Don't Get Schooled: Scams Targeting Recent Grads

By Maureen Rutecki, CPA, ABV, CFF, ASA

Maureen is a partner in EFPR Group, LLP's Stonebridge Business Partners' division.  
[stonebridgebp.com](http://stonebridgebp.com)

According to the National Association of Colleges and Employers, almost two million college students will graduate in 2019. Once they walk across the stage, many will be on their own for the first time, looking for or beginning jobs, or continuing education in graduate school.

Regardless of their situations, recent college graduates are big scam targets, since scammers know that college graduates do not understand much about the “real world” yet, making them perfect targets. Parents can help their new grads avoid falling victim to scammers' plans, by being aware of what to look for.

## What to Look Out For

The term scam covers a large set of deceitful practices. Here are some common scams to keep an eye out for:

- Loan Forgiveness – Today, 7 out of 10 graduates leave campus with student loan statements in hand and an average loan balance of just over \$37,000. (<https://lendedu.com/blog/January-student-loan-survey>). Companies promising debt relief, often for a fee, spam these graduates with emails. While it is understandable how enticing loan forgiveness can be, very few graduates qualify. In fact, most such offers are from scammers, trying to make a quick buck.
- Entry level job scams – These scams lure graduates in by using attractive, yet false, phrases. Companies use loose interpretations of appealing phrases, including “sports marketing” and “be your own boss.” In reality, the jobs offered seldom have these

characteristics. Other job scams entice victims by providing an unrealistic salary figure. For example, an ad might claim “you could make \$35,000 in just one summer!!!!” If you see this, there is a good chance it is a scam.

- Credit card scams – If you are a recent graduate or know one, then you are likely aware of the numerous credit card offers that arrive in the mail. Recent graduates may not comprehend the exorbitant interest rates on some of these credit cards or the impact late payments can have on their credit scores. A survey conducted by Opportunity Financial found that seven in ten college students damage their credit soon after graduation. By not understanding high interest rates, late fees, and the impact of late payments on credit scores, new graduates are vulnerable to credit card scams.
- Unpaid tuition scams – Scammers not only target graduates, but also graduates’ parents with unpaid tuition scams. Parents are typically able to determine whether these offers are fake, but students are less likely to. Scammers will contact victims by phone, telling them in an earnest tone that their tuition bills were not paid and that immediate payment must be made or else their degrees will either not be conferred or will be revoked. Do not send the money. If you want to check the status of your tuition bills, contact the school’s bursar’s office.
- Rental property scams – Landlords recognize new college grads and may adjust lease terms to, for example, charge higher monthly rent than they would for other renters. Recent graduates are easy targets for this scam, because they are often inexperienced renters, or are in new rental markets and are less likely to know fair market rents. Those who rented apartments in college may have had their parents read the contracts. When renting on their own, new graduates do not typically read full contracts, or when they do, they are less likely to fully understand the terms.

## How to Protect Yourself from Scams

Scams happen every day, and scammers will not stop trying to get your money, regardless of whether you are a new graduate. However, there are some precautionary measures you may take to ensure you do not become a victim:

- If you are still in college, take a personal finance course. Unfortunately, basic personal finance is not a required class at most colleges, and, according to the Council of Economic Education (CEE), only 17 states require high school students to take courses in personal finance before graduating from high school. Consequently, most college graduates enter their post-college life with no personal finance skills.
- Prepare a budget and have someone else who understands personal finance take a look at it. Consult with them about those budgeted items that you may not be familiar with, such as apartment rent, car insurance or renter's insurance.
- Be knowledgeable about your student loans and understand that when you graduate, you have a 6-month window until you have to start paying them back.
- Verify the email addresses of your incoming email. If you think an email is from your school, check the actual address and see if it is correct. For example, studentaccounts@school.edu is different than studentaccounts@school.edu). Check for spelling mistakes within the email.
- Make sure a website is legitimate and secure, especially when asked to disclose personal information, such as your Social Security Number or your bank account numbers.
- Check online reviews. If there are none, that is a red flag.
- Finally, if it seems too good to be true, it probably is.

## You've Been Scammed, What Now?

If you find yourself in the unfortunate situation of falling victim to a scam, there are some actions you can take to minimize your losses. The actions that you take will depend on the type of fraud committed. Here are some examples of what you can do:

- Report the scam to police and provide them with any documentation and communications that you have that may help them.
- Report the incident to the Better Business Bureau.
- Report to the Internet Crime Complaint Center.
- Warn your friends so that they do not fall into the same trap.

Recent graduates have listened to the inspiring commencement speeches about how to conquer the world and achieve their dreams. Now is the time to also share practical advice on how to navigate the transition to the “real world” so that they may keep the focus on the dream and not the harsh truth of financial fraud.

## QUOTE OF THE MONTH

---

**"Our ability to manufacture fraud now exceeds our ability to detect it."  
Al Pacino**



**"I don't bring my work phone on vacation.  
If it's an emergency, call my shell."**