



LANSING CHAPTER OF THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS

Board Member Address

Greetings Fellow Fraud Fighters!

For those who were unable to attend the Chapter's annual meetings, I wanted to pass along the exciting CPE opportunity that was announced for our Fall conference in October:

- 16 CPE hours for \$100!
- ACFE Course and Presenter
- Virtual Format

In an effort to continue the chapter's goal of providing exception CPE training opportunities to our members and in recognition of the significant challenges everyone has faced due to COVID-19 response efforts, the LACFE board unanimously approved the use of chapter resources to supplement the registration fees for our Fall conference to than our members for their support.

Due to ACFE restrictions, space is limited to 50 participants. To ensure that as many chapter members as possible can take advantage of this special opportunity, we are offering an early registration to chapter members only, from September 1st through September 30th. Registration will open to non-members beginning on October 1, 2020.

I hope you can all take advantage of this opportunity! Please contact me with any questions.

Sincerely,
Mark Lee, LACFE Chapter President

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Fraud Talk Podcast

Behind the Scenes of Wirecard's Billion-Dollar Accounting Fraud

Listen to Mason Wilder, CFE, ACFE senior research specialist, and Brian Fox, vice president of strategic partnerships at Thomson Reuters and president & founder of Confirmation, discuss the rise and fall of the German payments group, Wirecard. This podcast is a product of the ACFE.

https://www.podbean.com/media/share/pb-zmsyx-e8c479?utm_campaign=w_share_ep&utm_medium=dlink&utm_source=w_share

UPCOMING EVENTS

LOCAL:

Lansing Chapter of the ACFE – Fall Fraud Conference

October 19 – 21, 2020

Virtual

Speaker – Mason Wilder, CFE

Topic – "Investigating on the Internet: Research Tools for Fraud Examiners"

See page 3 for presentation description



Michigan Chamber of Commerce

Virtual - Michigan ATHENA Conference Series: Owning Your Voice! Knowing Your Value and Being Empowered to Be Authentic

October 13, 2020

9:00 to 10:00 am

Learn more at https://www.michamber.com/signature_events/michigan-athena-conference/

Michigan Association of Certified Public Accountants

Webcast - CPE Mega Conference

October 22, 2020

Morning and Afternoon sessions

Learn more about the morning session: <https://store.micpa.org/Product/Details?productId=20114> and

afternoon session: <https://store.micpa.org/Product/Details?productId=30690>

NATIONAL:

ACFE

Virtual – Anti-Fraud Leadership Summit

October 22, 2020

Learn More at <https://www.acfe.com/LeadershipSummit-2020.aspx>

ACFE

Virtual – Government Anti-Fraud Summit

November 17, 2020

Learn More at <https://www.acfe.com/governmentsummit2020.aspx>

If you have an event that you would like posted in our newsletter or if you wish to share an article, please contact Jennifer Ostwald at jenny1661@hotmail.com



2020 Fall Fraud Conference

Investigating on the Internet: Research Tools for Fraud Examiners

Presented by Mason Wilder, CFE

Virtual Conference

Monday, October 19 – Wednesday, October 21, 2020

CONFERENCE DETAILS	
Monday, October 19, 2020	10:00 am – 2:30 pm
Tuesday, October 20, 2020	10:00 am – 2:30 pm
Wednesday, October 21, 2020	10:00 am – 4:00 pm
Conference Fee:	\$100.00 *
Registration:	Limited to First 50 Participants
CPE Credit:	16 CPE Hours
Dress:	Business Casual

** Due to reduced registration fees, group discounts are not available.*

Register online at www.lansingacfe.com or: For info, to register by mail, or for group pricing of 4 or more please contact: president@lansingacfe.com or vicepresident@lansingacfe.com

See the course outline at: <http://www.lansingacfe.com/wp-content/uploads/2020/08/October-2020-Fall-Conference.pdf>

Mason Wilder works in the Research department of the ACFE as a Research Specialist, updating and creating new self-study courses, writing content for the various ACFE publications, and responding to member and media inquiries. He has a Bachelor’s degree in journalism from the University of Texas at Austin and a professional background in corporate security intelligence and investigation, including risk assessment, travel security, threat intelligence, crisis response, executive protection support, background investigation, and due diligence.



A Conversation About Diversity, Equity and Inclusion in the Anti-Fraud Field

By Liza Ayres
Contributing Writer to ACFE
ACFE Insights

The past few months have brought social and political unrest to the forefront of local, national and even global conversations. This is an unprecedented time of awareness, but as difficult and eye-opening as these moments of national rupture have been, they present a crucial time for organizations to assess workplaces and communities.

On August 19, the ACFE hosted a webinar titled, "[A Conversation About Diversity, Equity and Inclusion in the Anti-Fraud Field](#)," which is free and available to view for all ACFE members.

ACFE President and CEO Bruce Dorris introduced the conversation with a few remarks. "We are not being called out; we are being called. Called to be better, pull up and grow for a more equitable future." In the pattern of calling upon ourselves to use this moment to examine how we might reshape the anti-fraud profession to uplift all people, Dorris hopes this conversation will call upon others to do the same. This virtual discussion is a new step in the ACFE's commitment to uphold those values in our industry, and to encourage our members to do the same.

Dr. Lisa Walker, a leadership psychologist, moderated three speakers in the lively and informative discussion. Monica Modi Dalwadi, CFE, joined from the D.C. office of Baker Tilly Virchow Krause, LLP; Bethmara Kessler, CFE, Chair of the ACFE Board of Regents, contributed her remarks; and Charles Washington, CFE, offered insight from his position as Global Fraud and Asset Protection at Pfizer and as the Vice-Chairman of the ACFE Foundation Board of Directors.

Where is the conversation right now?

The conversation began with the panelists sharing their perspectives on how workplaces are currently thinking about and responding to issues of racial justice and belonging, particularly in the U.S. The speakers agreed that racial equity is an obvious business imperative, but many obstacles have prevented valuable action.

For example, unease may exist around conversations about identity, especially in workplaces where people seek to avoid potential conflict. "Predominately white leaders reported feeling ill-equipped, even afraid to act or to engage in this conversation," Walker noted, referring to a recent survey of business owners. Walker stated that it should come as no surprise, given the history of race and capitalism in the U.S., that race makes corporate managers uneasy and therefore unlikely to act. In actuality, however, inaction only deepens the systemic issues that are shaking many communities right now, according to the panelists.

However, Monica Modi Dalwadi demonstrated how sometimes reaching out with compassion can be enough to disrupt the status quo. After the tragic and fatal killing of George Floyd, Dalwadi shared her troubled emotions with her team at work. Many of her colleagues

responded with relief and gratitude that someone said something. In particular, a Black colleague on her team responded, saying he was glad she said something, especially because he didn't expect anyone at the company to acknowledge it.

"The silence is not acceptable," Dalwadi said. "We have to be having this conversation and this discussion and figuring out where we are going with all of it."

Who needs to participate in this conversation?

This question arises frequently when companies wonder how to approach discussions of diversity, equity, inclusion and anti-racism, so Walker posed it to the panelists.

Kessler stated simply, "Everyone." She continued, "It's really important that everyone feels a true sense of belonging within the business and on the team." In order to reach the point where everyone can express themselves fully at work, she explained, there must be active engagement from everyone in the business. Approaching this type of work should be organized, systematic and thoughtful, so the panelists recommended planning in advance.

Moreover, Kessler and Washington agreed that change comes from both the top tiers of leadership and the lowest levels, especially those still early in their careers. "I believe we can all be catalysts," Kessler remarked, but to make real change, she noted, the most senior leaders need to be invested.

Washington concurred, saying the leaders need to start the conversations, but, he added, "Equality, fairness and equity don't really work unless they work at the lowest level of the organization." Much like tone at the top in anti-fraud matters, the panelists suggested that the work around diversity, equity and inclusion needs to start with leaders at the top of an organization and filter down.

What are common barriers to the conversation?

1. UNCONSCIOUS BIAS

We often speak about unconscious bias in terms of fraud investigations, but the panelists stressed that organizations should also recognize that leaders are not immune to unconscious biases. In fact, no human on planet earth is immune.

Dalwadi offered the idea of bias training for individuals at every level so that people are challenged to think differently about the assumptions with which they view the world.

"You can't fix it unless you admit you have it," stated Washington.

2. THE FEAR OF SPEAKING UP

Kessler encouraged those who are interested in joining these discussions as thoughtful allies to acknowledge their privileges before engaging with the subject matter. She noted that, in some cases, allies might be able to have a louder voice in the conversation, depending on the audience.

For example, Kessler relayed a story about a straight colleague offering to speak on the subject of queer identity. At first, Kessler didn't like the idea, but once she considered it more

deeply, she understood that when addressing other straight people, the straight colleague might have an easier time relating to their peers and encouraging them to think about the privileges they have from navigating this world as straight.

3. A LACK OF TRUST

There is no doubt that this is hard work. Washington urged allies to remember how critical it is to build trust with colleagues and to help build environments where people feel like they belong.

Washington shared a story from when he began his career as a criminal investigation special agent. On one of his first assignments, he was partnered with a young officer from a small Midwest town who admitted that Washington was the first Black man with whom he had ever interacted. Although there were uncomfortable moments, Washington and his partner built a strong foundation of trust to have conversations about race. “He asked so many questions just because he didn’t know, and he didn’t have the experience and he wanted to know it.” Washington credits his partner’s interest and willingness to have these deep conversations to why they formed such a strong bond. They remain friends to this day.

The panelists agreed that increased trust between peers makes organizations more successful, which increases the quality of work for everyone.

So, where do we go from here?

Dalwadi shared some important considerations for having productive dialogues. First, facilitators should make people aware that the space for workshops or conversations is a safe space for people to share their emotions and experiences. No one should feel pressured or uncomfortable. For example, facilitators should not be anyone at the top of the organization. Otherwise, employees might feel like they could be reprimanded, or worse, lose their jobs.

Washington urged people to go beyond programs and webinars to actually taking tangible steps toward effective results. He said it’s crucial to get to the root cause, which means addressing these issues directly with the group that has an advantage or privilege.

He added that getting those who are early in their careers involved is urgent so that they are aware of these practices from the start. “I’d like to see us get away from a defensive posture, where we’re constantly trying to defend our rights,” he said, “to a point of being offensive, and we get to a place where we can actually live and enjoy the rights that have already been bestowed upon us.”

This enlightening conversation served as a starting point for further action on diversity, equity and inclusion in the anti-fraud field. As the panelists pointed out, there are many skills that fraud examiners possess that can aid in building a diverse, equitable, inclusive and anti-racist culture in the workplace and in the profession as a whole.

The next ACFE webinar on the topic of diversity, equity and inclusion will be held on October 13, 2020.

Natural Disaster Fraud

By Courtney Schenkel, CPA

Director in StoneBridge Business Partners, an EFPR Group company.

It seems the headlines never end, constantly riddled with an array of natural disasters – hurricanes, tornadoes, floods, fires. Natural disasters plague us year round. Tornadoes whirl from March to July in the South and Midwest; hurricanes wreak havoc from June to November along the coast; fires rage throughout late summer and fall; floods caused by the sudden downpours and dare I mention the snow? It seems we barely have time to recover from one catastrophe before the next disaster strikes.

Disasters have the ability to bring neighbors together during cleanup efforts and rally support from other communities through fundraising and charity work. Unfortunately, fraudsters prowl in the background of these catastrophes hoping to prey on vulnerable individuals and organizations for financial gain.

Natural disaster fraud is an intentional deception to defraud individuals and the government that results in personal gain. There are various types of natural disaster fraud including; charitable solicitation, vendor/contractual fraud, price gouging, insurance fraud and forgery/impersonation.

Charitable solicitation fraud may occur when a fraudster poses as a legitimate organization, such as the Red Cross, or a non-existent charity established to support relief efforts. Phony websites reach a worldwide audience and are created to collect credit card and other personal information that is later sold or used.

Vendor and contractual fraud occurs when an contracted person or entity enters into an agreement with no intention of actually repairing the damages. Vulnerable victims who are desperate for help after a disaster may neglect normal precautions when hiring a contractor, such as checking references, due to the immediate need for the repair. Scam artists present

themselves as reputable contractors from outside the area to help meet demand. They may be seen working door-to-door providing estimates and requesting deposits and prepayments for their services.

Price gouging happens when businesses increase the costs of vital goods in demand or in limited supply at the expense of natural disaster victims. The majority of states currently have legislation making it illegal to increase prices during disasters.

Insurance fraud against insurance companies includes inflating losses (also known as opportunistic fraud), faking repairs or damages, and in some cases deliberately causing damage to property and personal belongings. Another type of insurance fraud could include submitting duplicate claims through an insurance policy and to FEMA for the same damage.

Forgery commonly includes stolen reimbursement checks, submission of false building permits and receipts for claims. Additionally, imposters have gone door to door in neighborhoods impersonating FEMA inspectors or government officials. They ask for personal information and details on damages to file for relief funds before the victim. In some aggressive instances they are known to ask for unsupervised admittance into affected homes in order to gain access to valuables.

Established in 2005, in the wake of Katrina, the National Center for Disaster Fraud (NCDF) was formed, in order to combat and improve the detection, prevention, investigation and prosecution of natural disaster fraud. The NCDF is a partnership between the U.S. Department of Justice and various law enforcement and regulatory agencies. During the time of Hurricane Katrina, over 1,300 cases of disaster fraud were prosecuted which had reported an estimated total of \$108 billion in economic damages. Included in these damages was an estimated \$34.4 billion of insured loss claims. Approximately \$80 billion of government funding was appropriated for reconstruction and development. It is estimated that insurance fraud may have accounted for as much as \$6 billion of this total funding.

While you may not be directly affected by a specific natural disaster, we all pay for the scams. Government aid is funded with taxpayer dollars and insurance claims with insurance

premiums. According to FBI.gov, the total cost of insurance fraud (non-health insurance) is estimated to be more than \$40 billion per year. By this estimate, the average family pays between \$400 and \$700 per year in the form of increased premiums.

While it may seem daunting, some prevention is possible. The FBI, FEMA and other agencies published guidelines for consumers including:

- Always ask to see an FEMA inspectors laminated photo ID badge
- State and Federal workers will not ask or accept money
- FEMA will notify survivors by phone or mail if their applications are receiving additional scrutiny
- Be skeptical of individuals representing themselves as victims or officials asking for donations
- Beware of organization with copy-cat names to reputable charities
- Beware of emails that claim to show pictures of disaster relief areas – they may contain viruses
- Do not give personal information that may compromise your identity
- Make contributions directly to known organizations
- Verify spam schemes with web services like ScamBusters.org

As fraud plots are getting more complex it is of extreme importance to remain prepared and aware when a disaster is likely. Take the necessary precautions to protect yourself during times of natural disasters. Remember if you think you have been a victim of fraud, waste or abuse involving disaster relief operations contact NCDF at 866-720-5721 or disaster@leo.gov. Suspicious email solicitations and fraudulent websites can be reported to the FBI's Internet Crime Complaint Center at www.ic3.gov.

QUOTE OF THE MONTH

"Fight for the things that you care about, but do it in a way that will lead others to join you."

Ruth Bader Ginsburg