



# LANSING CHAPTER OF THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS

## LACFE CALL FOR NOMINATIONS FOR ELECTION TO THE BOARD OF DIRECTORS

Each year, the Lansing Chapter of the ACFE seeks dedicated, energetic, and enthusiastic members to become volunteer leaders as Board members and Officers. If you are such a member (or know someone who qualifies), now is the time to consider becoming a candidate (or nominating someone) for a seat on the Board!

This year, there are four (5) director positions open for nomination, each with a two (2) year term. Anyone interested in serving on the board or nominating someone to serve on the board, please email [president@lansingacfe.com](mailto:president@lansingacfe.com) by July 14, 2023. Include the nominee's name, contact information, and a brief bio, and put "2023 Elections" in the subject line.

To be eligible to serve, a candidate must be either a member or an associate member in good standing of the LACFE. (Please note that under the Chapter's Bylaws, associate members may serve as board directors and in officer positions, but certification as a fraud examiner by the ACFE is required for the position of President.) Board elections will occur via Survey Monkey between Monday, July 17th and Friday, July 28<sup>th</sup>.

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## Fraud Talk Podcast

**Jackpot Justice: Unraveling the Lottery Heist - Rob Sand - Fraud Talk -  
Episode 132**

In Episode 132 of Fraud Talk, ACFE Research Specialist Sam May meets with Rob Sand, the Iowa State Auditor. Rob speaks about the Hot Lotto fraud scandal he prosecuted, totaling more than \$25 million, as well as helping the state of Iowa improve their systems and processes to better investigate and audit potential frauds.

<https://acfe.podbean.com/e/jackpot-justice-unraveling-the-lottery-heist-rob-sand-fraud-talk-episode-132/>

## UPCOMING EVENTS

**LOCAL:**

**ACFE South Florida Chapter #11 presents  
8th Annual Ethics Seminar (2 Hours of Ethics)**

Delivery: Live / Group Internet Based

August 3, 2023

9:00am – 11:00am EST

Learn more: <https://acfesouthflorida.org/page-18098>



**NATIONAL:**

## ACFE The Ethics of Our Digital World

## Virtual Seminar

August 3, 2023

Learn more: [Event Details \(acfe.com\)](https://www.acfe.com)

ACFE Fraud Examination Techniques Workshop

## Virtual Seminar

August 15-17, 2023

Learn more: [Event Details \(acfe.com\)](https://www.acfe.com)

## ACFE Conducting Successful Interviews: The Impact of Communication Styles

## Virtual Seminar

September 7, 2023

Learn more: [Event Details \(acfe.com\)](https://www.acfe.com)

*Help me create your newsletter! If you have an event that you would like posted or if you wish to share an article, please contact Jennifer Ostwald at [jenny1661@hotmail.com](mailto:jenny1661@hotmail.com)*



# Goodbye And Good Luck

June 30, 2023

Larry Benson

<https://fraudoftheday.com/goodbye-and-good-luck/>

In 2019, Oregonians received new driver's licenses. In 2023, Oregonians saw all those licenses stolen, along with their identities. Through a massive hack that targeted the Oregon DMV. On June 15, 2023, the Oregon Driver and Motor Vehicle Services announced that two weeks prior the agency had been hacked and that an estimated 3.5 million driver's licenses and the "sensitive personal information" associated with them were compromised. Compromised is a mild word for what has happened here. Because what the DMV public relations department means by "sensitive personal information" is that everything and anything needed to become a driver from Oregon has been stolen. Goodbye and good luck to your identity. Because the agency withheld the information for two weeks to let the fraudster have a head start.

Chief Information Officer Thomas Amato said the agency delayed informing the public out of security concerns and because "we have been trying to put in place things to prepare Oregonians for this announcement." The DMV clearly is concerned for the victims. He said the state didn't want to reveal "too much evidence to the actual threat actors who could use our verification of their attack as leverage." Use as leverage now or later! They got everything they need! Now, these identities will start being used for student loan and credit card applications over the next 3-6 months and thereafter. Will the feds filter these for fraudulent government benefits? Will these identities be filtered by agencies and lenders? No. That would mean they need to do some work and behavioral biometrics to stop the fraud.

After the news organization's inquiry, the Department of Transportation issued a press release saying the agency was among "many organizations" affected by the breach as a result of a "global hack of the data transfer software MOVEit Transfer." What a relief for the victims to know they aren't the only ones! Oregon is in good company.

Today's Fraud Of The Day is based on article "Massive hack of Oregon DMV system puts estimated 3.5 million driver license and ID card info at risk, officials say" published by The Oregonian on June 15, 2023

The Oregon Driver and Motor Vehicle Services confirmed Thursday that an estimated 3.5 million driver's license and identification card files were compromised when the agency was hacked two weeks ago.

Agency spokesperson Michelle Godfrey said Thursday that the agency realized on Monday — four days ago — that the breach had extended to about 90% of the state's driver's license and ID card files.

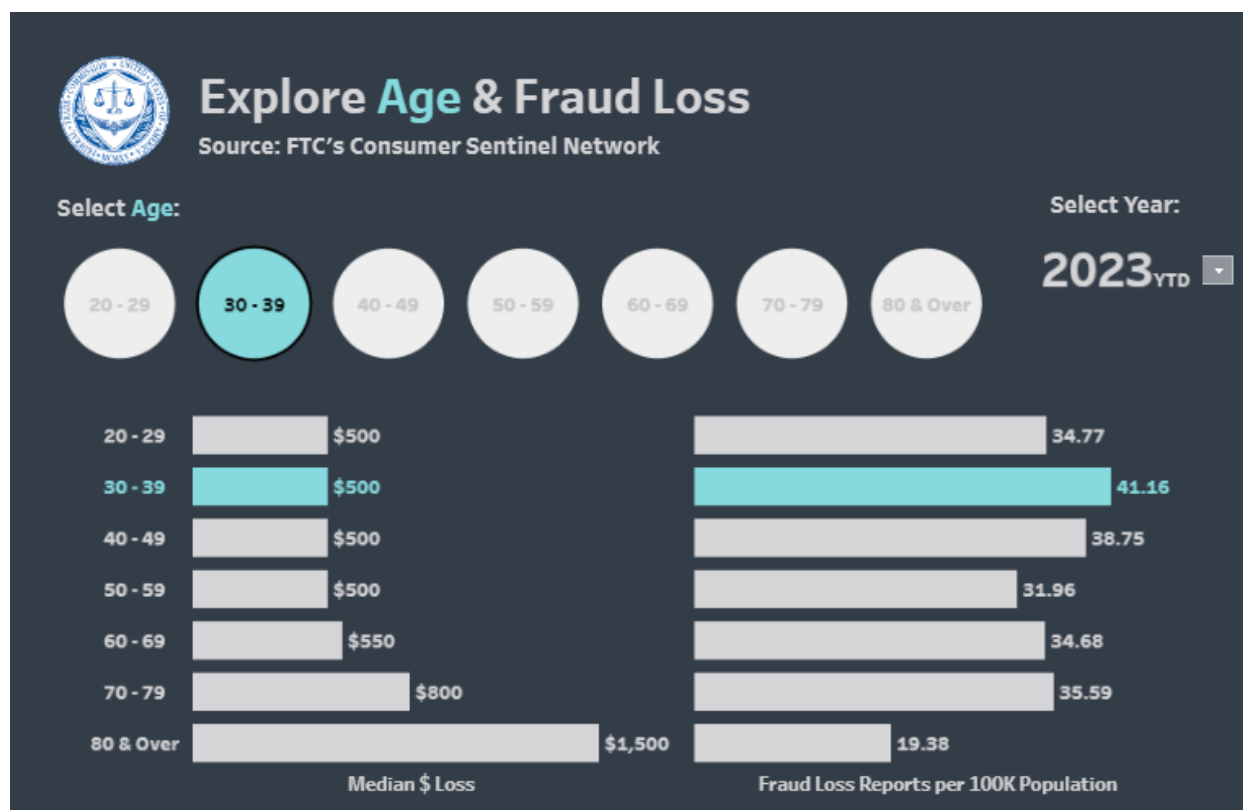
The Oregonian/OregonLive first made inquiries about the security breach on Wednesday; DMV officials took nearly a day to respond with answers. Godfrey said the agency planned to wait until Friday to go public because officials are still preparing agency employees for how to respond to Oregonians' questions and concerns about how to protect themselves.

# The Federal Trade Commission's Consumer Sentinel Network Infographic: Explore Age & Fraud Loss

<https://public.tableau.com/app/profile/federal.trade.commission/viz/AgeandFraud/Infographic>

The FTC publishes an interactive infographic for reported frauds across different age groups. For the first quarter 2023 there is a stark contrast between the number loss reports for those over 80 years old versus younger age groups. As you can see, the median loss per occurrence for those over 80 is higher.

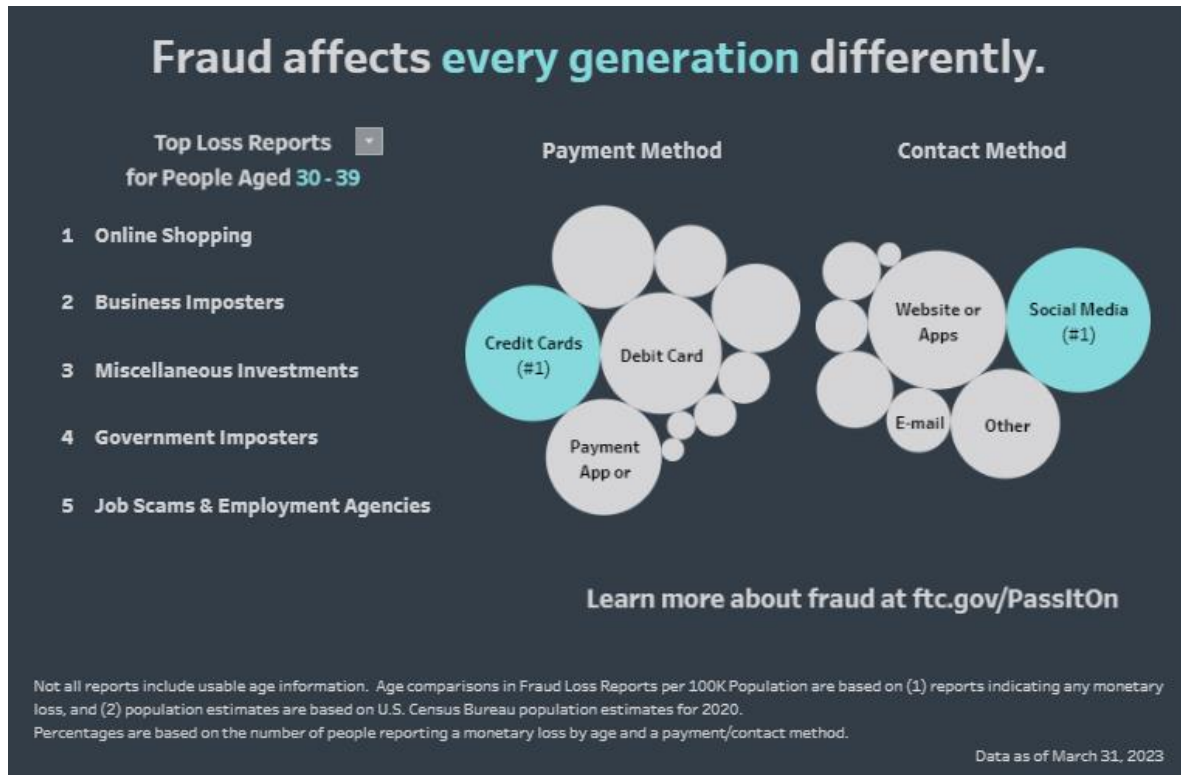
The same website offers data beginning 2019. The trend of higher median loss and fewer reports for those in the 80+ category has continued each year.





The FTC's data shows online shopping and business imposters are regularly the largest group of reported losses across all age groups, though romance scams, sweepstakes scams, and other well-known fraudulent schemes do appear at various points.

I encourage you to explore the changes in payment method and contact method. What is fascinating to me is to see the changes as people age to a different generation coupled with the changes in technology. For example, social media is now the predominant contact method for reported frauds for those in 20's and 30's age groups, but social media wasn't significant enough to even be named in the 2019 data.



## Video of the Month

[Check Fraud Soars in Cook County, Thieves Brag Online | NBC 5 RESPONDS - YouTube](#)

There is a sudden surge of an old crime impacting residents and businesses alike across Chicago that have seen hundreds of thousands of dollars stolen, all involving checks in the mail. Lexi Sutter has the story for NBC 5 Responds.



## UIA wins U.S. Department of Labor award for smashing unemployment fraud ring

Agency recognized nationally 4 times since 2019 for its anti-fraud work

June 28, 2023

<https://www.michigan.gov/leo/news/2023/06/28/uia-wins-us-department-of-labor-award-for-smashing-unemployment-fraud-ring>

A facial scar, a partial license plate number, and a pizza restaurant uniform helped fraud investigators with the Michigan Unemployment Insurance Agency (UIA) bring down a multi-state criminal enterprise that defrauded taxpayers of more than \$250,000 in unemployment benefits. The successful investigation was lauded recently by the U.S. Department of Labor's Office of Inspector General (USDOL-OIG) with a national award, the agency's fourth since 2019.

Three Florida men identified as the Broward County Bunch were sentenced to prison after Michigan UIA investigators partnered with Florida and federal authorities to put an end to the brazen theft of taxpayer money in one of the largest pre-pandemic cases in terms of dollars stolen and the number of victims.

"Our investigators do an outstanding job identifying criminals who steal from taxpayers, and they are respected by their peers around the country," said UIA Director Julia Dale. "This award puts bad actors on notice: Crime doesn't pay and we will work closely with all our law enforcement partners to ensure that justice is served. I want to thank the Office of Inspector General for recognizing UIA's hard work and we look forward to continuing our cooperative efforts to track down criminals."

The case was a complex investigation involving extensive evidence gathering and collaboration with outside law enforcement. UIA maintains valuable relationships with law enforcement in Michigan and around the country to share resources, information and knowledge in tracking criminal schemes and bringing suspects to justice. Along with their prison sentences, the Broward County Bunch were ordered to repay Michigan a total of \$269,720 in restitution.

### Online transactions bring down Broward County Bunch

The Broward County Bunch's scheme to steal money from UIA began to unravel when investigators noticed multiple computer transactions traced to a home in Broward County, Florida. At the same time, evidence was found that Michigan unemployment benefits were being deposited into 34 accounts at a Florida bank.

Michigan agents worked with their Florida counterparts to connect the activities and identify the suspects behind the scheme. UIA used bank ATM footage to positively identify first suspect, Mervin Mompremier, who was linked to the bank accounts where jobless benefits from Michigan were being deposited. Other video surveillance footage showed a man with a distinctive scar above his eyebrow, leading investigators to Sean Brown, who also was seen wearing a shirt from Pizza Hut, where he was working at the time.

The third suspect, Robert Baptiste, was identified through a partial license plate number on a car owned by a female roommate, aiding investigators in linking him to one of the bank accounts.

After arrest warrants were issued for the three men, Baptiste was taken into custody as he arrived in the United States from Jamaica. Mompremier was arrested after police kicked in the door of his home as he was trying to destroy phones and computers. Brown barricaded himself in his residence before a SWAT team broke in to arrest him. In searching the premises, police found evidence of identity theft.

All three men were sentenced in December 2021 to serve between 16 and 65 months in prison.

The DOJ recognized UIA and its Florida counterparts, citing the agency's role in protecting the integrity of Michigan's unemployment insurance program. "The team's commitment and exemplary performance of duty has been of significant value and benefit to the OIG and nation's taxpayers," said Kimberly Lacey, director of the OIG's Division of Human Resources Management.

#### UIA has string of investigation successes

This year's award is the fourth since 2019 from DOL-OIG for fighting fraud:

- In 2022, a regulation agent was recognized for his successful investigation and prosecution of a UIA contract employee and two co-conspirators. The three defrauded the State of Michigan and the U.S. government of more than \$3.8 million through fraudulent claims during the COVID-19 pandemic.
- In 2019 and 2020, the Michigan UIA was named the Most Improved Integrity Program for the previous year based on DOL performance metrics.

Fighting fraud is a cornerstone of preserving the integrity of the unemployment insurance program in Michigan. Director Dale has [named Kim Breitmeyer](#) as the UIA's Legal Advisor and head of the Legal and Compliance Bureau, which will leverage collaborative anti-fraud practices to effectively pursue bad actors. To date, 115 individuals have been charged in connection with the theft of unemployment benefits in Michigan, 46 convicted, and 37 sentenced.

UIA collaborates with the Michigan Attorney General's office as well as local, state and federal law enforcement to bring bad actors to justice and combat fraud at the agency. The agency also has implemented new ethics and security clearance policies for employees and contractors. UIA's [What is UI Fraud webpage](#) explains the many tools and resources used to battle fraud.

## Director leads wide-ranging agency reforms

Anti-fraud measures are among the many reforms launched under Director Dale, the 11th agency director in as many years. Since her appointment in October 2021, she has:

- Announced the replacement of the agency's decade-old computer system with a user friendly, state-of-the-art interface for claimants and businesses. [Deloitte's uFACTS system](#) will provide a totally new experience that will be easy to use, speed claims processing, and build on the agency's aggressive anti-fraud tactics.
- Created the UIA Modernization Workgroup, consisting of labor, business and jobless advocates to advise the UIA on significant improvements in how it can better serve Michigan workers and employers.
- Rebuilt to nearly \$2.2 billion (and growing) the UI Trust Fund from which weekly benefits are paid to workers.
- Approved over 76,000 overpayment waivers of state and federal benefits paid during the global pandemic, valued at more than \$555 million. More waivers are pending.
- Halted overpayment collections on claims filed since March 1, 2020, while the agency addresses pending protests and appeals and refunded more than \$12.5 million to more than 9,900 workers since May 2022.
- Identified initiatives and processes that would ease access to jobless benefits for workers in underserved communities under a \$6.8 million USDOL equity grant.
- Secured a more than \$2.3 million equitable access and communications grant from the USDOL Tiger Teams initiative to redesign and simplify how UIA engages with employers and develop a help center for accessing agency services.
- Reassigned staff and resources to address the largest categories of claims that are contributing to the agency's case backlogs.
- Redesigned the agency's public website at [Michigan.gov/UIA](https://Michigan.gov/UIA) for easier use on mobile phones and tablets.

## Quote of the Month

**“Whoever commits a fraud is guilty not only of the particular injury to him who he deceives, but of the diminution of that confidence which constitutes not only the ease but the existence of society.”**

**— Samuel Johnson, The Rambler #79, published December 18, 1750**