



LANSING CHAPTER OF THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS

LACFE Annual Meeting and Member Appreciation

We hope you'll join us on August 28th for the annual meeting and the member appreciation event!

The event will be held at The Boardroom – Lansing Shuffle located at 325 Riverfront Drive, Lansing, MI 48912. It is open to LACFE members and anyone involved with or interested in fraud prevention and detection.

- The meeting begins at 5:00 pm and can be attended in-person or via Zoom (contact Mark Lee at president@lansingacfe.com for a Zoom invitation).
- The member appreciation will start directly after the meeting from 6:00 – 8:00 pm.

The Chapter will provide appetizers and infused water for all attendees, and current Lansing ACFE Chapter members will receive dinner at the restaurant of their choice within Lansing Shuffle!

If you will be joining us in-person, please RSVP to LACFE Membership Director, Rebecca Brinkley at member1@lansingacfe.com. Please include any dietary restrictions or preferences.

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Fraud Talk Podcast

Secrets of OSINT Revealed - Javier Leiva - Fraud Talk - Episode 146

Javier Leiva, a writer, investigative journalist, producer and podcaster, joins Jason Zirkle, ACFE Training Director, on Fraud Talk to discuss the use of OSINT in investigations. They delve into the challenges, ethical considerations and future of OSINT investigations. Listen in as Leiva shares insights and tips for leveraging OSINT effectively and responsibly, and delves into the myth of Frank Abagnale.

<https://acfe.podbean.com/e/secrets-of-osint-revealed-javier-leiva-fraud-talk-episode-146/>

UPCOMING EVENTS

LOCAL:

LACFE Annual Meeting and Member Appreciation

August 28, 2024

5:00 pm

Contact LACFE President Mark Lee at president@lansingacfe.com for a Zoom invitation to the meeting.

Member Appreciation RSVPs are required, please contact LACFE Membership Director, Rebecca Brinkley at member1@lansingacfe.com.



Fourth Annual Detroit Official Cybersecurity Summit

Tuesday, August 20, 2024

Detroit Marriott Renaissance Center

Learn more: <https://cybersecuritysummit.com/summit/detroit24/>

MICPA On the Road - Lansing

Tuesday, September 24, 2024

3:00 pm - 6:00 pm

DoubleTree by Hilton Lansing (Formerly Radisson) Lansing, MI

Learn more: <https://www.micpa.org/cpe/store/course-detail?ProductId=157352&return=1~1>

MICPA On the Road – Grand Rapids

Wednesday, September 25, 2024

3:00 pm - 6:00 pm

Embassy Suites by Hilton Grand Rapids Downtown Grand Rapids, MI

Learn more: <https://www.micpa.org/cpe/store/course-detail?ProductId=157351&return=1~1>

SAAABA - COVID Federal Stimulus Management: Management of Federal Stimulus for COVID Response and Recovery Overview

Webinar August 22nd, 2024

12:00 p.m. – 1:00 p.m.

Learn more: <https://www.saaaba.org/events3/>

NATIONAL:

ACFE Financial Institution Fraud

Virtual Seminar

September 24-25, 2024 (early registration ends August 26th)

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

ACFE Contract and Procurement Fraud

Virtual Seminar

October 1-3, 2024 (early registration ends September 2nd)

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



Help me create your newsletter! If you have an event that you would like posted or if you wish to share an article or job opening, please contact Jennifer Ostwald at newsletter@lansingacfe.com

You Are The Company You Keep

July 11, 2024

Larry Benson

<https://fraudoftheday.com/you-are-the-company-you-keep/>

There is quite a bit of evidence to support the theory that we do, in fact become a lot like the people we hang out with. And whether we want to admit it or not, we all make the decision who we hang out with. So, choose wisely. Because that person might be the one to bail you out. And you don't want that person to get arrested also during your bond processes.

On June 24, 2024, officers from the St. Tammany Parish Sheriff's Patrol Division got a call about a man who matched the description of someone using fake credit cards in the area. After an investigation, Saint Tammany Parish officers say Renandson Parfait allegedly used fake credit cards in at least three different stores in the Covington area. When deputies searched Parfait's vehicle, they found more than seventy fake credit cards. So apparently Parfait had more shopping plans. Parfait was arrested after officers at the scene said he refused to show identification. It must have got lost amongst all the fake I.Ds. Parfait was arrested and charged with access device fraud, 10 counts of bank fraud, identity theft and unlawful production, manufacturing and distribution of fraudulent documents. Time to phone a friend.

Alan Artist to the rescue. Artist came to post bond declaring "I am Parfait's BFF" with cash in hand. And, also, unfortunately, a fake I.D. Artist was arrested on the spot and charged with injuring public record, possession of a fake ID, obstruction of justice and resisting an officer. Leaving Parfait hanging. Both men were booked into the St. Tammany Parish Correctional Center. Court dates have yet to be set.

Today's Fraud of The Day is based on article "Man arrested for using fake ID to bond friend out of jail, who was arrested for using fake IDs" published by WBRZ news on June 28, 2024.

A man was arrested Monday after he allegedly used fake IDs and information to make purchases at several St. Tammany Parish stores. Later that same day, his believed accomplice was also arrested for using a fake ID to try and bond him out of jail.

St. Tammany Parish deputies were called to a Covington-area store to arrest a man, later identified as Renandson Parfait, 34, of New York. Parfait is accused of having made several purchases around the parish using fraudulent cards. He was booked for access fraud, ten counts of bank fraud, identity theft, and unlawful production of fraudulent documents.

This Guardian Enriched Herself Using the Finances of Vulnerable People In Her Care. Judges Let It Happen

August 8, 2024

Jake Pearson

<https://www.propublica.org/article/new-york-guardian-yvonne-murphy-beacon-eldercare-judges>

When a New York judge appointed Yvonne Murphy to take over the care of Martin Chorost in late 2011, the 63-year-old had diabetes, dementia and a constellation of other maladies. He also had assets worth more than \$800,000, which were put at his guardian's disposal.

Murphy immediately tapped them to hire Beacon Eldercare, which billed itself as "the leading health care assistance firm in Queens," to provide him with round-the-clock aides.

As it turned out, it was also Murphy's own private business.

Over the ensuing years, Murphy transferred between \$80,000 and \$100,000 annually from Chorost's accounts to Beacon while, separately, she collected tens of thousands of dollars from him in guardianship fees. Before long, the arrangement sparked a complaint from the court examiner charged with reviewing Murphy's work.

"I believe that the dual roles of guardian and CEO of the agency creates the possibility and potential for a conflict of interest to exist," the court examiner wrote in June 2015. A court clerk underlined the words "conflict of interest" and drew a star in the margin next to them.

In fact, legal experts told ProPublica, the arrangement was a clear and flagrant violation of New York law, which bars guardians from providing for-profit services like health care or day care to their wards.

But Queens Supreme Court Justice Lee Mayersohn permitted the apparent conflict for years. By the time Chorost died in April 2019, Murphy had transferred more than half his life's savings — \$417,697 in all — to her company. Even then, Beacon sought more, billing his estate for an additional \$50,890 in unpaid fees.

The examiner in Chorost's case wasn't the only one to raise alarms. Over the years, various officials — including a lawyer, a fellow guardian and even a judge — flagged Murphy's use of Beacon in other cases, with some of them warning that she could be abusing her court-appointed position to enrich herself at the expense of her wards. But in each case, the judge overseeing the guardianship downplayed or overrode the concern.

Those decisions facilitated a lucrative — and potentially illegal — commercial pipeline for one of the court's most popular guardians, who, over the course of a decade, controlled the money and health care of more than 100 incapacitated people, a ProPublica investigation has found.

Earlier this year, the news organization reported that New York’s guardianship system is failing to protect the elderly and ailing people entrusted to its care. Part of the problem is lax oversight, with court examiners taking years to review the work of the guardians they are tasked with overseeing. Those delays can result in dangerous gaps in information for judges charged with making sensitive decisions about the financial and physical welfare of wards — some of whom, ProPublica found, have ended up living in squalor, including one woman who endured bedbugs, rats and no heat for years. Another died without her guardian noticing, her corpse eventually discovered by a utility worker.

But Murphy’s story illustrates just how culpable judges themselves can be in the system’s breakdown, permitting financial arrangements that experts said were unequivocally improper — even in cases when examiners point out potential problems. Lawyers, advocates and researchers alike say this laissez-faire judicial culture is the product of crushing caseloads, sparse resources and a shallow pool of guardians willing to take the most challenging cases. In New York City, there are just over a dozen judges who handle the 17,411 people in guardianships, data provided by the courts show.

“The easiest way to reduce the workload is not to look for problems,” said Nina Kohn, a guardianship expert at Syracuse University College of Law. “The second-easiest way is when you see problems, to ignore them.”

ProPublica reviewed three years of Beacon’s client lists, which were disclosed in a lawsuit, and discovered that in at least 20 instances, Murphy referred a ward under her care to her own agency. In a dozen cases, she did so as the person’s guardian. In the other eight, she acted in a different role, as a court-appointed care coordinator. That total is almost certainly an undercount since Murphy served in the guardianship system for more than 15 years. Nevertheless, the data gives a clear snapshot of just how profitable the dynamic was for Murphy’s business. In those three years alone, wards accounted for \$1.5 million in Beacon revenue, about a quarter of the company’s income, the records show.

Murphy’s problematic conduct did not stop there, though.

Last month, a judge ruled that Murphy had “violated her fiduciary duty” to a wealthy Manhattan woman “in ways that shock the conscience” and barred her from serving as a professional guardian. The searing decision followed years of investigations into whether Murphy steered millions in investments and real estate for her own benefit.

Murphy, who in court records has denied any wrongdoing, did not respond to numerous requests for comment. She’s been similarly unresponsive to legal filings in multiple civil cases, records show. She sold Beacon last April, records show, and her own family and lawyers have said they’ve been unable to reach her since then. As a result, at least three attorneys have stopped representing her, and one said in court in June that “Ms. Murphy has dropped out of sight.”

None of the judges featured in this story would address why they allowed Murphy to use her court-appointed role as guardian to employ her own private business, in apparent violation of state law. Neither would the state Office of Court Administration, which runs the court system.

Courts spokesperson Al Baker said in a statement that “one of the highest priorities of the New York State Unified Court System remains combating abuse of elders and other incapacitated persons, particularly through a more vigorous and responsive guardianship system.”

Baker said the court system “is keenly aware of the structural problems it confronts, such as gaps in the numbers of qualified guardians and other professionals that are available.” Those problems have been the subject of ProPublica’s ongoing reporting.

“These issues cannot be addressed by the court system alone,” Baker said, “but require the participation of our partners in the other branches of government.” Just this year, the state Legislature rejected a modest request for \$5 million to bolster the pool of guardians.

Advocates for reforming New York’s beleaguered system said that judges don’t have to wait for structural reforms to protect vulnerable wards from guardians who are leveraging their court-appointed position for personal gain.

“It shouldn’t be a question,” said Rebekah Diller, a guardianship expert at Cardozo School of Law. “A guardian is not appointed to engage in self-dealing.”

A Conflict of Interest?

Almost from the outset, there were signs that Murphy was commingling her private business with her work as a court-appointed guardian.

Just four months after forming Beacon Eldercare in January 2006, court records show she took the daylong course required to become certified as a guardian. By 2015, she was receiving dozens of appointments a year, putting her on track to become one of the system’s most prolific practitioners.

One longtime friend credited that success to Murphy’s networking skills. Sophisticated, confident and well dressed, she made frequent appearances on podcasts, in courthouses and at senior centers, where she marketed herself and her business. And with advanced degrees in social work and forensic psychology, she was able to use her years working in hospitals and a nursing home to capitalize on the business of aging, according to court records.

At Beacon, Murphy stored her wards’ paperwork at the company’s headquarters, where employees accessed the files and corresponded with county clerks and judges, court records show. Even the email address Murphy listed in the court system’s directory — guardianship@beaconeldercare.com — noted the symbiotic relationship.

In a 2020 deposition, Murphy testified, “Most certainly when I’m in court I never ever represent that Yvonne Murphy is the same as Beacon Elder Care being appointed.”

The distinction matters since the state’s guardianship statute bars guardians from being the provider of health care, day care, educational or residential services to their wards “whether direct or indirect” unless the court finds that no one else is “available or willing to act” in either capacity.

In the Chorost case, the examiner's concerns went to a core question: Can a guardian who is referring wards to her own business be trusted to independently assess the care that business provides — or the bills it submits?

Avoiding the Question

The case was not the first in which ProPublica found someone raising that question.

The daughter of an elderly Queens pastor named Thomas Burns had flagged a similar conflict to Mayersohn a year beforehand.

The judge had appointed Murphy to be a guardian to Burns, who was 90 and had dementia, because his family and friends couldn't agree on how to best care for him and manage his money. In an affidavit, Murphy sought court approval to hire home health aides supplied by her own company.

Mayersohn approved the request and Murphy then transferred more than \$120,000 from Burns' accounts to Beacon over the next two years — all while collecting nearly \$6,700 in guardianship fees — an arrangement Burns' daughter challenged.

"This dual interest is a conflict," her attorney wrote in a 2014 motion.

Separately, a parishioner of Burns' congregation wrote to Murphy and Mayersohn in the summer of 2014 questioning the quality of his care. "The way you run your business operation leaves me thinking that maybe the Judge handling Pastor Burns' case should have Beacon Elder Care, Inc. investigated," the congregant wrote.

But Mayersohn, who had been on the bench for a decade at that point, permitted the setup, and there's no record in Burns' case file that he addressed the question of Murphy's dual interests.

The judge also allowed the apparent conflict to persist in Chorost's case after an examiner flagged Murphy's use of Beacon in the summer of 2015. Murphy told the official that she conducted "yearly periodic random phone calls to check industry wide rates" and that Beacon's fees were reasonable.

There's no record of the judge addressing the examiner's legal concerns. After a conference in 2015, Mayersohn ordered a health care provider to evaluate "the appropriateness of the services being provided." That review eventually found that Beacon's services were "appropriate and beneficial," the examiner later told the court.

Barbara Pace, Chorost's sister, said she had long suspected Murphy was only interested in drawing compensation out of her brother. Murphy, she said, hadn't even kept up with Chorost's taxes, resulting in penalties and a federal lien.

"He had a lot of money and ended up with nothing," said Pace, who lives in Florida. "All these people who were supposed to be overseeing things obviously passed the buck and didn't do their job."

Diller, the guardianship expert at Cardozo School of Law, said that for Mayersohn to allow Murphy to act as guardian and care provider simultaneously, he was required to have made a formal finding that no one else was available for either role.

But there's no such finding in either case, the records show. After the 2015 conference to discuss Murphy's use of Beacon, Mayersohn appointed her to 11 more guardianships.

A Soft Touch From the Bench

Not all judges avoided the question of Murphy's apparent conflict of interest.

In 2015, as Mayersohn approved the Beacon payments in Queens, a different judge took issue with them in Nassau County on Long Island. And his handling of the matter suggests that even the barest judicial action could have curtailed Murphy's use of her own company.

Murphy asked Judge Gary Knobel to approve a \$20,656 payment to Beacon for six weeks of home health aides for a blind 19-year-old with "no cognitive abilities of significance," according to the young woman's case file.

In a filing, Murphy said the use of her company had been "discussed in chambers at the previous status conference."

But when Knobel approved the payment, he included a caveat, writing that any future request "shall specifically disclose to the Court any compensation she received or will be receiving as a result of services rendered by" Beacon.

Knobel, a former law clerk who was elected to the bench in 2005, did not respond to ProPublica's request for comment. But after his decision, payments to Beacon stopped.

"We Will Get Someone Who Is Honest"

Despite the various red flags, judges across New York and Long Island continued to entrust Murphy with the care of vulnerable New Yorkers for years, and she touted these relationships on Beacon Eldercare's website, listing a number of judges by name, including Mayersohn and Knobel.

Sometimes they appointed her as a guardian and at other times the judges asked her to serve instead in a position known as a geriatric care manager for elderly wards. In both capacities, Murphy was considered a fiduciary, meaning she was required to act for the benefit of the client and not herself. But geriatric care managers, who assess the needs of elderly patients and can also arrange for their services, aren't licensed or otherwise regulated by the state, and they are not subject to any explicit conflict-of-interest rules.

For Murphy and Beacon, the position proved fruitful.

Consider the case of Alvaro Guevara, a 74-year-old Colombian immigrant who faced “deteriorating physical and other conditions,” according to one of his guardians. In 2015, they appeared in court with their ward to request more control over his health care given the apparent decline.

Supreme Court Judge Bernice Siegal said she would appoint a geriatric care manager to assess Guevara’s needs — and hire home health aides if necessary. Guevara, who had about \$305,000 left from a legal settlement, had a request regarding his future caretakers.

“I need somebody who is honest,” he told the judge.

“We will get someone who is honest, and if they are not honest, you will get everything back,” Siegal replied.

Murphy got the appointment, and she enlisted Beacon to provide Guevara services.

For more than two years, Murphy’s company drew on his account, providing 24-hour home care at the cost of roughly \$7,500 per month, records show. His guardians sought to defray the fees by moving their ward’s brother in to help out and, eventually, by seeking court authority to send Guevara back to Colombia where his dollar would stretch further and where he could live with family.

But by January 2018, with only about \$50,000 left to his name, Guevara refused to move after “representatives of Beacon Eldercare met with and convinced Mr. Guevara and his brother” that applying for public assistance was a better course of action, Christopher Owen, one of his guardians, wrote in a motion. “In my opinion, the foregoing advise was irresponsible and not in Mr. Guevara’s best interest,” he wrote.

There’s no record in Guevara’s case file that Siegal questioned Murphy’s dual roles. And records show that even the judge conflated them: A month after Owen’s motion, she issued an order that listed the geriatric care manager as “Beacon Eldercare,” not Murphy.

Siegal, a longtime guardianship judge, did not respond to ProPublica’s request for comment.

In all, roughly \$180,000 of Guevara’s money went to Beacon. By 2019, with Guevara unable to afford rent from his \$300 monthly Social Security check and with only \$20,000 left in the bank, his guardians moved him into a Queens assisted living facility. That year Beacon didn’t collect from Guevara, but Murphy did, receiving \$4,950 in fees from the ward for her services, which included putting together his Medicaid application.

Multimillion-Dollar Deal Raises Suspicion

Murphy’s lucrative run as a favored court appointee officially came to an end last month, when a judge ruled that she had taken advantage of a wealthy ward named Theresa Hastings.

Hastings had ended up in guardianship in 2016 after falling in her apartment, and she and her late husband, Ingo Grezinger, had extensive real estate holdings across New Jersey and New York, including a row of four abandoned brownstones in Harlem.

One of Murphy's first acts as Hastings' guardian was moving her into a Queens nursing home, court records show. She then set about marshaling her ward's assets, including nearly \$6 million in holdings from Grezinger's estate.

But as Murphy took hold of a sizable real estate and investment portfolio, she failed to file the statutorily required reports to the court detailing her ward's finances and well-being. During that time, judges still approved Murphy's requests to sell some of Grezinger's properties, including the four Harlem brownstones.

Murphy then helped a Beacon business associate, Patrick Toussaint, acquire those four buildings, according to the recent court ruling. Toussaint testified that Murphy told him about the properties and she negotiated the price with him, the judge wrote. A company Toussaint controlled purchased the townhouses for about \$3 million — then sold them months later for nearly \$8 million.

In her decision, the judge noted that Toussaint loaned Murphy \$200,000 after the deal closed, money that he said she never repaid.

Reached by phone, Toussaint declined to comment.

It wasn't until September 2019, nearly a year and a half after Hastings died, that Murphy finally filed a report detailing her ward's finances to the court.

These and other actions worried the court examiner tasked with reviewing Murphy's guardianship work. The examiner, Alison Arden Besunder, wrote in a December 2019 preliminary report that Murphy had "repeatedly failed to comply" with the law and had "continued to thwart her fiduciary obligations as Guardian."

In Murphy's defense, her then-lawyer said Besunder had "grossly mischaracterized" her client's conduct and wrote that sanctioning her in a case in which she obtained "no financial benefit or personal gain would have a chilling effect on the willingness" of people like Murphy to serve as professional guardians. Murphy took most of the guardianships she was appointed to "out of her compassion for the elderly or incapacitated population," as well as "her understanding of the Court's dire need for eligible" professional guardians, her lawyer, Jessica Reznak, wrote in a March 2020 filing.

But the judge was unpersuaded. In a decision issued in July, five years after the investigation began, Supreme Court Justice Carol Sharpe ruled that Murphy's testimony hadn't been credible and that she'd "consistently involved herself in business dealings using Ms. Hastings's assets that were clear conflicts of interest and a gross dereliction of her duties."

Sixteen years after Murphy became a guardian, Sharpe banned her from serving in that role, removed her from all the cases she'd been assigned to and charged her "for any financial incentives she received" from the estates of Hastings and her husband.

The Manhattan District Attorney's Office is also probing the matter, as is the public administrator's office, the city agency that settles the affairs of people who die without wills. Attorneys for the agency have said in court records that they still need to account for how Murphy handled Grezinger's assets, including the Harlem brownstones.

But they'll likely have to piece it all together without questioning Murphy directly. With her actions as a court-appointed fiduciary under the microscope, a government attorney recently wrote that the onetime guardian "appears to have intentionally and voluntarily absented herself from the jurisdiction."

Video of the Month

[CNBC All American Scams | American Greed](#)

We revisit some of your favorite American Greed episodes featuring John Donald Cody, Kwame Kilpatrick, Karen, and Tracy Vasseur.

