

# 15<sup>th</sup> Annual Emerging Trends in Fraud Investigation & Prevention Conference

Presented by:  
Auditor of State Dave Yost  
Attorney General Mike DeWine  
Central Ohio Chapter of Certified Fraud Examiners  
The Ohio Society of CPAs



May 11-12, 2015

Hyatt Regency Columbus – Downtown - Columbus, Ohio

<b>Cost of Conference:</b>	Early bird registration on or before April 10, 2015	Regular registration after April 10, 2015
Government Employee	\$275.00	\$325.00
Private Sector Employee	\$325.00	\$375.00

## We now accept Visa, Mastercard and Discover

Credit card payments may only be accepted during the online website registration process. Credit card payments will NOT be accepted by phone or in person.

**Make checks payable to:** Treasurer of State, Josh Mandel  
(Payment must be received prior to attending the conference)

### Mail Checks to :

Ohio Auditor of State Dave Yost  
Attn: Fiscal Department  
88 E. Broad St., 4<sup>th</sup> Floor  
Columbus, OH 43215

### CONTINUING EDUCATION:

This conference has been approved by the Supreme Court of Ohio Commission on Continuing Legal Education (CLE) for 10.75 total CLE hours of instruction . Also, the Ohio Society of CPAs has approved Continuing Professional Education (CPE) credit for 16 total hours of instruction.

## DIRECTIONS

To reserve a room online, go to:

<https://resweb.passkey.com/go/CentralohiochapterACFE>

Hyatt Regency Columbus  
350 N. High Street  
Columbus, Ohio 43215  
614-463-1234

**North:** 71 South to 670 W  
Exit 4B on left to 3rd Street  
Turn Right on E. Chestnut  
Turn Right on N. High Street

**West:** 70 East to Fourth St. Exit;  
North on Fourth St.;  
Turn left on Nationwide Blvd.

**South:** 71 North to 70 East to  
Fourth St. Exit;  
North on Fourth St.;  
Turn left on Nationwide Blvd.

**East:** 70 West to Fourth St. Exit;  
North on Fourth St.;  
Turn left on Nationwide Blvd.



## ADDITIONAL INFORMATION

### The Conference check-in

will be on the second floor of the Hyatt Regency Columbus

### A Continental Breakfast

will be located in the Regency South Foyer and available on Monday, May 11, at 8:00 am & Tuesday, May 12, at 7:00 am

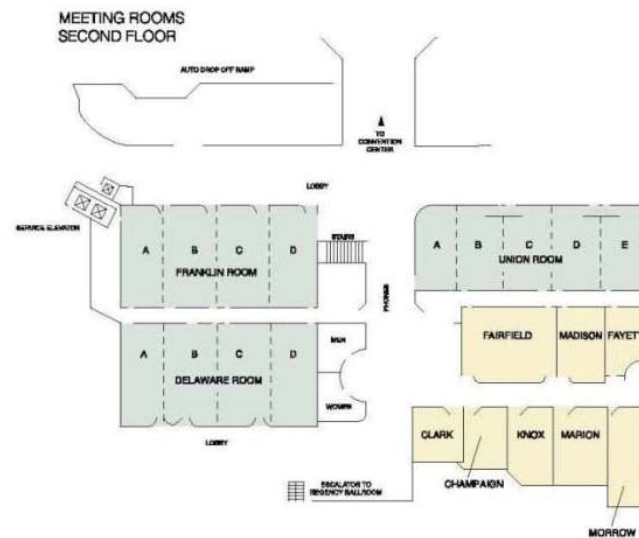
### Hotel accommodations

available at the Hyatt Regency, 350 North High Street, Columbus, OH 43215  
To reserve a room online, go to:

<https://resweb.passkey.com/go/CentralohiochapterACFE>

To reserve a room over the phone, call 614-463-1234

Please mention the Emerging Trends in Fraud & Prevention Conference when reserving your room.



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## Day 1 Schedule of Events - Monday, May 11

8:00 - 9:00 am

REGISTRATION / CONTINENTAL BREAKFAST

9:00 - 9:30 am

OPENING REMARKS: UNITED STATES ATTORNEY FOR THE SOUTHERN DISTRICT OF OHIO, CARTER STEWART

9:30 - 10:30 am

GENERAL SESSION: THE CONFESSION INTERVIEW: ETHICAL, LEGAL AND PSYCHOLOGICAL IMPLICATIONS, SCOTT PORTER, CPA

10:45 am- 12:00 pm

<b>Workshop 1</b> The Undernet	<b>Workshop 2</b> Fraud Prevention: A Proactive Approach	<b>Workshop 3</b> Mobile Device and Cloud Data Investigations	<b>Workshop 4</b> Got Fraud? You Could be Next!	<b>Workshop 5</b> Compliance and Deterrence in Fraud Risk and Control	<b>Workshop 6</b> The Role of Forensic Accountants in a BCI Criminal Investigation
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12:00 - 12:40 pm

LUNCH

12:40 - 1:30 pm

GENERAL SESSION: UNDERSTANDING THE MINDSET OF A FRAUDSTER, JAMES D. RATLEY, ACFE, NATIONAL PRESIDENT & CEO

1:45 - 3:00 pm

<b>Workshop 7</b> Cyber Incidents	<b>Workshop 8</b> Food Stamp - SNAP Trafficking in Ohio	<b>Workshop 9</b> The Undernet	<b>Workshop 10</b> Data Breach and Preparedness	<b>Workshop 11</b> Using Data Analytics to Detect Disbursements Fraud	<b>Workshop 12</b> IRS Criminal Investigations
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3:15 - 4:30 pm

<b>Workshop 13</b> Too Many Children Left Behind	<b>*Workshop 14</b> Ethical Considerations in the Investigation of Insurance Claims  <i>* ACFE required ethics course</i>	<b>Workshop 15</b> Why Audits Fail to Find Fraud	<b>Workshop 16</b> Bank Fraud: It's Not Personal, Just Business	<b>Workshop 17</b> Case Study: Ohio/Florida Real Estate Scam	<b>Workshop 18</b> Walking the Tightrope Between Activism and Hacktivism: The FBI's Battle to uphold the constitution for all
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May 11, 2015

Hyatt Regency Columbus – Downtown - Columbus, Ohio

# 15<sup>th</sup> Annual Emerging Trends in Fraud Investigation & Prevention Conference

## Day 2 Schedule of Events - Tuesday, May 12

7:30 - 8:30 am

CONTINENTAL BREAKFAST

8:30 - 10:00 am

GENERAL SESSION: A CELEBRATION OF HERO'S WHISTLEBLOWERS IN THE WORKPLACE, JAMES H. HOLZRICHTER SR.

10:15 am - 11:30 am

<b>Workshop 19</b> Operation Board Games	<b>Workshop 20</b> Using Social Media Effectively in the Investigation and Litigation of Insurance Claims	<b>Workshop 21</b> Case Study on Nonprofit Fraud	<b>Workshop 22</b> Social Engineering: Exploiting Wetware	<b>Workshop 23</b> Effective Report Writing for Fraud Investigators	<b>Workshop 24</b> Exposing Credit Card Risk in Your Organization
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11:45 - 12:20 pm

LUNCH

12:20 - 1:00 pm

OHIO AUDITOR OF STATE, DAVE YOST

1:15 - 2:30 pm

<b>Workshop 25</b> Fairfield County Clerk of Court Case Study	<b>Workshop 26</b> GPS Tracking Devices and Cell Tower Data	<b>Workshop 27</b> Conducting Internal Investigations	<b>Workshop 28</b> What ACFE Membership can do for you and your Career in the Anti-Fraud Field	<b>Workshop 29</b> Investigating Malicious Websites	<b>Workshop 30</b> Crossing the Ethical Boundary - Insights from a Fraud Investigator
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2:30 - 3:45 pm

<b>Workshop 31</b> Cargo Theft Crimes	<b>Workshop 32</b> Cross Examination: What Every Attorney, Agent and Fraud Examiner Should Know	<b>Workshop 33</b> Utilizing the Power of Data Analytics to Find & Prevent Fraud, Waste & Abuse	<b>Workshop 34</b> Using Social Media in Criminal Investigations	<b>Workshop 35</b> Identity and the IRS	<b>Workshop 36</b> Charges Dismissed: How Experts May Undermine your Forensic Evidence
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May 12, 2015

Hyatt Regency Columbus - Downtown - Columbus, Ohio

# General Sessions

**Opening Remarks: United States Attorney for the Southern District of Ohio, Carter Stewart**

**General Session 1:** *The Confession Interview: Ethical, Legal and Psychological Implications.* **Speaker(s):** Scott Porter, CPA

**Description:** On February 7, 2010, Detective Jim Smyth elicited a compelling confession from Colonel Russell Williams, a top-ranked military officer. The examination of the Williams investigation reveals the ethical, legal, and psychological challenges of investigative interviews – an understanding of which is critical for the investigator to master.

**General Session 2:** *Understanding the Mindset of a Fraudster.* **Speaker(s):** James D. Ratley, ACFE, National President & CEO

**Description:** What causes someone to cross the line and steal from his employer? Why do some individuals turn to fraud while others would never think of it? And how can an understanding of these questions improve our ability to prevent, detect, and investigate fraud? This session will explore the psychology and thinking patterns common among fraudsters, as well as how anti-fraud professionals can apply this information to increase the effectiveness of their fraud investigations.

**General Session 3:** *A Celebration of Hero's Whistleblowers in the Workplace.* **Speaker(s):** James H. Holzrichter Sr.

**Description:** Every day in the United States of America, most citizens and everyday heroes report to work seeking nothing more than doing a good job, having a good life, and providing for family, community and country. It is the nature of organizations and people working together for problems or questions to occur that also raise issues and challenges with the specter of legal, moral, and public safety concerns. In most cases, this is or could be a positive opportunity for problem solving, better communication and improved performance. In too many other cases, it is a situation in which simply having particular knowledge or expressed concerns creates risk and unwanted conflict or outright jeopardy simply because of what one knows or dared to address. The well-being of these people, their families, and all those who support them are integral to and essential for the basis of "The American Dream". Taken separately together as a whole, they are inherently a just cause.

**Remarks: Ohio Auditor of State, Dave Yost**

## Workshop Descriptions Day 1

**Workshop 1:** *The Undernet.* **Speaker(s):** Walt Manning, Investigations MD

**Description:** The underground internet is a part of the internet that is mostly unknown and hidden from the average user. Accessible only from a special browser, this part of the internet has been called the "Deep Web" or the "Undernet." All types of fraud and criminal activities occur on this hidden network. Investigators and auditors should be aware of this potential criminal resource.

**Workshop 2:** *Fraud Prevention: A Proactive Approach.* **Speaker(s):** Donna Waldron, Ohio Auditor of State's Office

**Description:** Participants will be introduced to the Fraud Triangle as a way of identifying potential risk areas within their organizations and learn the components of a typical organization-wide anti-fraud program.

**Workshop 3:** *Mobile Device and Cloud Data Investigations.* **Speaker(s):** Brandon Hoyt and Justin Root, Ohio Attorney General's Office

**Description:** This presentation will cover how to conduct a basic investigation on mobile devices including communications, internet evidence, cloud-based applications, and case examples.

**Workshop 4:** *Got Fraud? You Could Be Next!* **Speaker(s):** William (Bill) W. Acuff, CPA, PLLC

**Description:** In today's environment, the pressures and incentives to commit fraud have never been greater and the costs of fraud are substantial. We will discuss common ways fraud is perpetrated within an organization and strategies on how it can be prevented or detected. Managing fraud risks saves money and we will discuss the factors to consider in developing a comprehensive anti-fraud program.

**Workshop 5:** *Compliance and Deterrence in Fraud Risk and Control.* **Speaker(s):** Charles T. Saunders, Franklin University

**Description:** This session will present and discuss elements of psychology that affect fraud prevention through control design and risk management.

**Workshop 6:** *The Role of Forensic Accountants in a BCI Criminal Investigation.* **Speaker(s):** Michael Kaizar and Mick Gyurko, Bureau of Criminal Investigations

**Description:** An introduction to a BCI synthetic marijuana investigation and how Forensic Accountants are integrated into various steps along the way.

# Workshop Descriptions Day 1 *(continued)*

**Workshop 7: *Cyber Incidents.* Speaker(s):** James Olmstead, US Department of Defense

**Description:** This presentation will provide an overview of various threats, tools, and motivations which may impact your organization from: 1) Insiders, 2) Hackers, and 3) Malware. With the growing demand on organizations to use computers and mobile devices to increase efficiency and provide increased Internet access to employee and customer data it is important to understand the associated risks and how to prepare for the possible compromise of stored electronic data & personal privacy information (PPI) managed by your organization. Additionally, it is important to have an Incident Response Plan and to preserve access logs and other data necessary for the possible investigation of data breaches/loss.

**Workshop 8: *Food Stamp – SNAP Trafficking in Ohio.* Speaker(s):** Mark Bentley, Ohio Department of Public Safety Investigative Unit / Derrick Hurst, United States Department of Agriculture, Office of Inspector General / Chris Dickens, Ohio Department of Job & Family Services, Bureau of Program Integrity

**Description:** State and federal agencies are increasing their efforts to identify, investigate and prosecute individuals and businesses that engage in the misuse of food assistance benefits. With almost 1 in 7 Ohio residents receiving almost \$2.5 billion in food assistance benefits, some criminal elements within our society illegally utilize these benefits as a secondary form of currency to advance a variety of fraud schemes and other criminal activity.

**Workshop 9: *The Undernet.* Speaker(s):** Walt Manning, Investigations MD

**Description:** The underground internet is a part of the internet that is mostly unknown and hidden from the average user. Accessible only from a special browser, this part of the internet has been called the “Deep Web” or the “Undernet.” All types of fraud and criminal activities occur on this hidden network. Investigators and auditors should be aware of this potential criminal resource.

**Workshop 10: *Data Breach and Preparedness.* Speaker(s):** James J. Giszczak, Data Privacy and Cybersecurity Practice Group

**Description:** It’s bad enough a company may possibly face liability from the data breach itself. The last thing you want is to create further liability exposure from how you respond to the incident. Making sure you are kept in the best defensible position possible during the course of your breach response methodology should be a priority.

**Workshop 11: *Using Data Analytics to Detect Disbursements Fraud.* Speaker(s):** William (Bill) W. Acuff, Decismo

**Description:** A key principal in managing fraud risks is proactively detecting fraud. As organizations place more reliance on automated IT prevention and detection controls, fraud can be hidden in vast amounts of data. Proactively monitoring data and performing analytics on one hundred percent of transactions is one of the most effective anti-fraud controls. We will discuss the most popular fraud schemes, how they are perpetrated and demonstrate the use of data analytics to look for red flags of fraud.

**Workshop 12: *IRS Criminal Investigation.* Speaker(s):** Russell Lovell and Kathy Enstrom, IRS

**Description:** Your Identity, Your Taxes, Your Money, Learn about the IRS-Criminal Investigation’s role in combating identity theft and tax fraud. Investigation examples will be shared of how identities are stolen and used, current schemes and trends in income tax evasion, following drug money and other financial crimes. There will also be an opportunity for a questions and answers.

**Workshop 13: *Too Many Children Left Behind.* Speaker(s):** Dennis Graul, Ohio Auditor of State’s Office

**Description:** Attendees will be presented with a case summary of the data manipulation that took place within the Columbus School District for over a 10-year period of time.

**\*Workshop 14: *Ethical Considerations in the Investigation of Insurance Claims.* Speaker(s):** Matthew J. Smith, Smith, Rolfes & Skavdahl Company

**Description:** This is a new edition of the nationally acclaimed ethics program which addresses specific issues, problems and concerns arising in the investigation of insurance claims. This presentation, taught through a series of video vignettes, focuses on specific issues arising from origin and cause investigations, courtroom testimony, coordinating investigations between insurers and public officials and taking of EUO testimony. \* **ACFE required ethics course**

**Workshop 15: *Why Audits Fail to Find Fraud.* Speaker(s):** Allen F. Brown, ACFE

**Description:** This presentation will address some of the issues that lead to audit failure when it comes to identifying fraud. Real examples of audit failures will be used to demonstrate the issues being discussed. The fact that financial audits fail to find fraud is an ongoing issue faced by the auditing profession around the world. In general, the standards require that audits be designed to identify fraud that would be material to the financial statements. However, there are occasions when the fraud is not material to the financial statements but is large enough to cause serious concern by the users of such and the general public. This is an even greater concern when the auditors held the fraud in their hands and did not see it. This occurs for various reasons.

**Workshop 16: *Bank Fraud: It’s Business, Not Personal.* Speaker(s):** Christopher Camejo, NTT Com Security

**Description:** Bank wire fraud is a large and growing area of cybercrime that typically targets commercial bank accounts. Companies and other organizations that have been defrauded are only finding out what their liabilities are after fraud has already happened. This session will show how the bank fraud criminal ecosystem works and what organizations can do to be prepared.

# Workshop Descriptions Day 1 *(continued)*

**Workshop 17:** *Ohio/Florida Real Estate Scandal.* **Speaker(s):** Matthew S. Hilbert, Ohio Organized Crime Investigations Commission

**Description:** The presentation will cover the investigation and prosecution of individuals affiliated with several companies in Ohio and Florida. These individuals were responsible for stealing millions of dollars from thousands of victims in 41 states.

**Workshop 18:** *Walking the Tightrope between Activism and Hacktivism: The FBI's Battle to uphold the constitution for all.* **Speaker(s):** K.C. Bixby, FBI

**Description:** In a growing digital age many people are taking to computers to support, complain, protest, or attack companies. This new digital era sets the latest battle grounds on the internet, does the right to peacefully assemble in protest allow protestors to "occupy" your bandwidth. How does the FBI view these actions and what is being done to support or mitigate their efforts.

# Workshop Descriptions Day 2

**Workshop 19:** *Operation Board Games.* **Speaker(s):** Pat Murphy, Spotlit

**Description:** The presentation provides the chronology of the four year investigation of corruption in the State of Illinois that resulted in the conviction of Illinois Governor Blagojevich as well as those behind the scenes who benefited from the corruption. This presentation will walk the participants through the investigation as it exposed the perpetrators and their methods in what was one of the most significant political corruption schemes in Illinois.

**Workshop 20:** *Using Social Media Effectively in the Investigation and Litigation of Insurance Claims.* **Speaker(s):** Matthew J. Smith, Smith, Rolfes & Skavdahl Company

**Description:** Is social media a passing fad or one of the largest cultural shifts in world history? The answer may take centuries to sort out, but in the real world of insurance claim investigation and litigation, we do not have the luxury or time to wait.

**Workshop 21:** *Case Study on Not for Profit Fraud.* **Speaker(s):** Christie Limbert, Ashley Clifton, Doug Carlson, Ohio Attorney General's Office

**Description:** The charitable sector plays a crucial role in our society, yet too many are willing to take advantage of donors' generosity and the good name of fine charities. This presentation will include an overview of the Ohio Attorney General's broad authority to regulate the charitable community as well as a discussion of specific investigations and enforcement actions taken against individuals and organizations engaged in fraudulent activities.

**Workshop 22:** *Social Engineering: Exploiting Wetware.* **Speaker(s):** Chris Camejo, NTT Com Security

**Description:** Every day hackers are breaking into networks not by tricking legitimate users into metaphorically (and sometimes literally) opening the door for them. We will look at different methods used by hackers both online and offline, including real-world case studies, so that the audience can be better prepared for the inevitable attack.

**Workshop 23:** *Effective Report Writing for Investigators.* **Speaker(s):** Lynette Rodrigue, Ohio Attorney General's Office

**Description:** Effectively and accurately communicating the results of an investigation is a skill that can take years to develop and perfect. Report writing can be one of the more challenging tasks that investigators face, as they sift through weeks or months of work product to determine how to best reduce dynamic investigative work to a professional, written report.

**Workshop 24:** *Exposing Credit Card Risk in Your Organization.* **Speaker(s):** Erich Heneke, Mayo Clinic's Supply Chain Management

**Description:** Take a look at the Mayo Clinic's journey in implementing an award-winning process of credit card auditing for fraud, waste, and abuse. This session will illustrate why automated auditing is preferred and provide a roadmap of how a full-scale data mining program can work in your organization. You will walk away with actionable ideas on creating internal risk assessment of your credit card exposure.

**Workshop 25:** *Fairfield County Clerk of Court Case Study.* **Speaker(s):** Robert F. Smith, Ohio Auditor of State's Office

**Description:** Case study of numerous criminal violations of the Fairfield County Clerk of Court Deborah Smalley.

**Workshop 26:** *GPS Tracking Devices and Cell Tower Data.* **Speaker(s):** Jonathan Banks, Ohio Attorney General's Office

**Description:** This workshop will focus on utilizing various data sources, specifically GPS Tracking Data and Cell Phone data, to pin point the location of a target over a period of time. This type of analysis has been utilized and very beneficial in white collar crime investigations where you are analyzing data over the period of several months or up to a year.

# Workshop Descriptions Day 2 *(continued)*

**Workshop 27:** *Conducting Internal Investigation.* **Speaker(s):** Kelly O'Reilly, JPMorgan Chase

**Description:** Conducting internal investigations into suspected or alleged wrongdoing on the part of employees is an area fraught with legal, ethical, technological, data and internal partnership challenges. Failing to detect and address employee misconduct opens the door to loss of revenue, reputational risk, and potential fines and sanctions. This workshop will educate you on what types of activity inside your company or agency should draw suspicion, how to improve the odds of gathering the appropriate and necessary information to support your investigation, and how to appropriately execute employment action based on your findings.

**Workshop 28:** *What ACFE Membership can do for you and your career in the Anti-Fraud Field.* **Speaker(s):** Ashley Stone, ACFE National

**Description:** This session will explore the process to earning the Certified Fraud Examiner (CFE) credential, benefits of becoming a CFE to you and your organization and ways to use ACFE membership and its resources to help you gain an advantage in your current job and in your future professional development.

**Workshop 29:** *Investigating Malicious Websites.* **Speaker(s):** Jeremiah Johnson, National White Collar Crime Center

**Description:** With fraud and identity theft becoming an ever increasing threat it is important that more investigators understand how websites are being targeted to host "phishing" kits to lure unsuspecting victims into giving out their personal information.

**Workshop 30:** *Crossing the Ethical Boundary - Insights from a Fraud Investigator.* **Speaker(s):** Bryan Callahan, BKD

**Description:** Many of us think ethical decisions are fairly straight-forward. There is right and wrong, good and bad. However, examples of real life fraud investigations show us that there can be a significant amount of gray when it comes to ethical dilemmas. This session will walk through a series of fraud investigations that show how otherwise "good people" end up making poor ethical decisions that change the course of their careers, their lives and potentially negatively affect others. This session will also provide a framework for helping to think through ethical dilemmas and will also provide survey results on current workplace ethics in the U.S.

**Workshop 31:** *Cargo Theft Crimes.* **Speaker(s):** Sgt. Timothy Root, Columbus Vehicle Theft & Fraud Unit

**Description:** This course will discuss the nation's cargo theft picture as well as how Ohio is impacted by these types of crimes. Ohio currently ranks 16th nationally in cargo theft incidents. Cargo theft not only creates a significant financial burden to Ohio's consumers, it serves as a funding mechanism for organized criminal organizations around the world. More importantly, it creates a significant threat our citizen's health and safety. This discussion will include the risks and impacts of cargo theft to public safety and the economy; effective reporting; tactics used by cargo thieves; preventative measures; investigative techniques; pro-active interdiction; as well as available resources in Ohio to combat this problem.

**Workshop 32:** *Cross Examination: What every attorney, agent and fraud examiner should know.* **Speaker(s):** Doug Squires, United States Attorney's Office

**Description:** Preparation of any matter which may wind up in a courtroom or hearing involves minimizing pitfalls like an effective cross examination. This session examines the fundamentals of the art of cross examination and explores some common mistakes that can negate otherwise thorough work.

**Workshop 33:** *Utilizing the Power of Data Analytics to Find & Prevent Fraud, Waste & Abuse.* **Speaker(s):** Bryan Callahan, BKD

**Description:** This session will open your eyes to the tremendous power of data in finding and preventing fraud. This session will provide an eye-opening look at the field of possibilities around what many call "big data" applicable to many disciplines.

**Workshop 34:** *Using Social Media in Criminal Investigations.* **Speaker(s):** Lyle Dungy, Detroit Crime Commission

**Description:** How the Detroit Crime Commission utilizes advanced sources and methods to address criminal gangs in the City of Detroit.

**Workshop 35:** *Identity and the IRS.* **Speaker(s):** Russell Lovell, IRS

**Description:** Understand the role of Internal Revenue Service - Criminal Investigation in combating identity theft. Learn how IRS-CI can assist local and state agencies and prosecutors in handling identity theft investigations.

**Workshop 36:** *Charges Dismissed: How Experts May Undermine your Forensic Evidence.* **Speaker(s):** C. Matthew Curtin, Interhack

**Description:** Consumers of forensic and technical evidence often fail to understand the limitations of the evidence, weaknesses in the methodology and alternate explanations of data. This engaging session will draw from the speaker's practice as a forensic computer scientist to show how he has successfully rebutted evidence taken to court.