



Learning Opportunity

Internal Control Officers,

PLEASE DISTRIBUTE BROADLY WITHIN YOUR AGENCY OR ORGANIZATION

The Office of the State Controller's Audit, Risk, and Compliance Services staff are pleased to announce our upcoming internal controls webinar:

Occupational Fraud – What, Why, How, and Who?

The webinar, which will be held on **Tuesday, October 8, 2019, will begin promptly at 10:00 am.** The Webinar is being provided at no charge to all state agencies, universities, and community colleges and qualifies for one (1) hour of Continuing Professional Education (CPE) credit.

For further information, please visit our website at:

<https://www.osc.nc.gov/training-calendar/2019/10/08/occupational-fraud-what-why-how-and-who/occupational-fraud-what-why-how>

Register Here:

<https://attendee.gotowebinar.com/register/1135221962933570561>

Each participant who plans to view the webinar and/or request CPE credit must register in advance.

OSC Webinar
Occupational Fraud – What, Why, How, and Who?

Objectives:

Inform attendees about:

- The current state of occupational fraud in the US
- Common red flags of occupational fraud
- Effective preventive and detective internal controls
- The fraud diamond and how anyone can apply it to real world scenarios
- Ethical dilemmas faced by whistleblowers

Date and Time: Tuesday, October 8, 2019 – 10:00 am – 11:00 am

Speaker: Eileen Taylor

Who Will Benefit:

Personnel from State Agencies, Universities, and Community Colleges

CPE Logistics:

CPE Credit: One (1) hour

Materials: Will be provided before webinar

Teaching Method: Live Webinar

Prerequisites: None

Advance Preparation: None

Level: Basic

Webinar Developer: [NC State University](#)

Webinar Sponsor: [NC Office of the State Controller](#)

Important information regarding CPE credit requirements:

- Each participant who plans to receive CPE credit MUST register for the webinar through the registration link provided. No CPE credits will be provided to non-registered participants.
- Each participant who plans to receive CPE credit MUST logon individually to the webinar for a duration of 50 minutes. Your time will be tracked to accurately award CPE credit.
- There will be NO site administrators for this webinar. No CPE credits will be awarded if you watch this as a group. During the webinar, participants will be required to respond to three polling questions to receive CPE credit.
- Participants requesting CPE credit will receive their CPE certificates via email within four weeks of the date of the webinar.

For any questions you have regarding the registration process, please contact Jan Prevo at 919-707-0714 or jan.prevo@osc.nc.gov.



Occupational Fraud – What, Why, How, and Who

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IMPORTANT: There will be NO partial credit given. If you watch this as a group, there will be NO CPE credit awarded.

Speaker – Dr. Eileen Z. Taylor

Professor of Accounting, NC State Poole College of Management



Dr. Eileen Z. Taylor is a Professor of Accounting at NC State Poole College of Management. She teaches in the MBA and MAC programs and teaches courses at Duke University. Her research is focused on whistleblowing, ethics, and accounting information systems. She publishes in a range of journals, including Journal of Information Systems, Journal of Business Ethics, Journal of Forensic Accounting Research, Accounting Horizons, and Behavioral Research in Accounting. She serves on several editorial boards and she co-edited a special issue of JIS on AIS and Ethics.

She is currently co-editing a Routledge Companion on Accounting and Ethics. Dr. Taylor is a CPA in North Carolina and is a Certified Fraud Examiner. She holds a BS, MAC, and PhD, all from the University of South Florida.



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Occupational Fraud What, why, how, and who

Eileen Z. Taylor, PhD, CPA, CFE
Internal Control Webinar
October 8, 2019

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Agenda

- Occupational fraud defined
- ACFE Report to the Nations Update
- Fraud Diamond and application
- Whistleblowing
- Resources



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Learning Objectives

After this session, participants will be able to:

1. Define and provide examples of the three types of occupational fraud
2. Describe the current state of occupational fraud in the US
3. List controls in order of effectiveness in reducing mean loss and fraud duration
4. Explain the fraud diamond and components of capability
5. Describe the ethical dilemma faced by whistleblowers

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Elements of Fraud

- A *material false* statement
- *Knowledge* that the statement was false when it was uttered (*Intent to deceive*)
- *Reliance* on the false statement by the victim
- *Damages* resulting from the victim's reliance on the false statement 

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Defining Occupational Fraud and Abuse

The use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets

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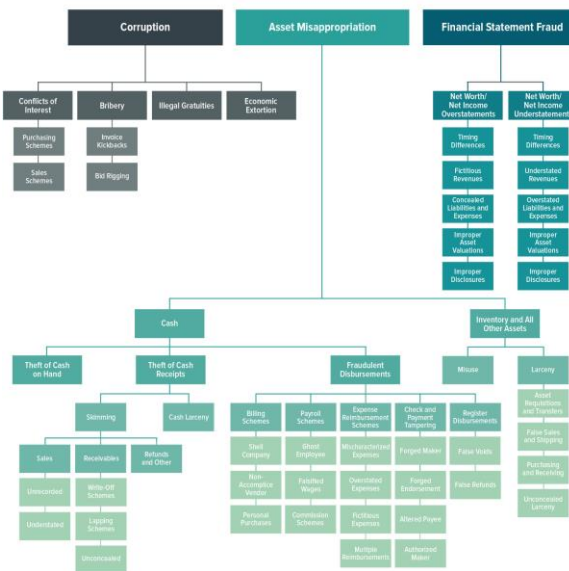


- Every 2 years
- Free online
- Global, 2,690 cases
- Investigated by CFEs
- ACFE.com

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FIG. 4 Occupational Fraud and Abuse Classification System (the Fraud Tree)



2018 Report to the Nations

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FIG. 85 What are the most common occupational fraud schemes in the United States?

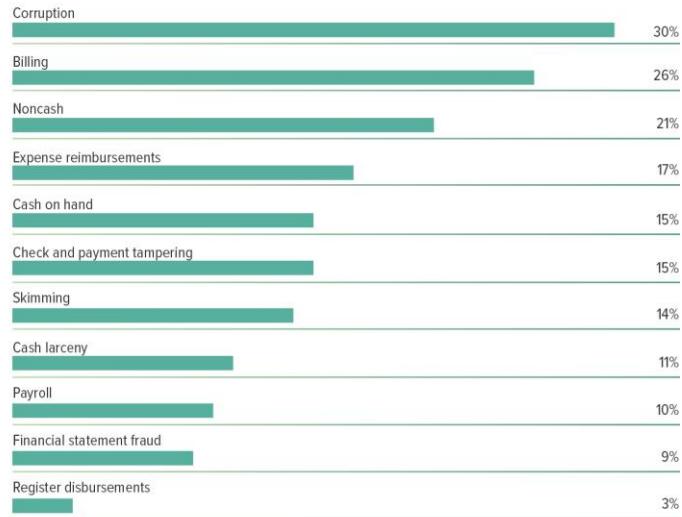


FIG. 2 How much does an occupational fraud cost the victim organization?

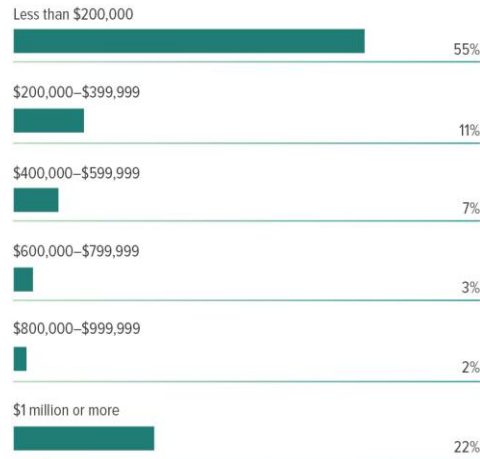


FIG. 3 How is occupational fraud committed?



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Polling Question 1

According to the ACFE RTTN 2018, the most common fraud is _____ and the greatest median loss is from _____

- asset misappropriation, corruption
- asset misappropriation, financial statement fraud
- corruption, corruption
- financial statement fraud, asset misappropriation

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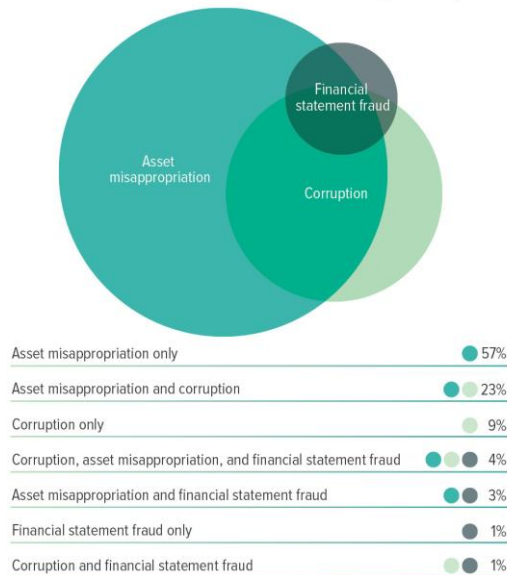
Polling Question 1 - Answer

According to the ACFE Report to the Nations 2018, overall,

The most common fraud is **asset misappropriation**, and the greatest median loss is from **financial statement fraud**.

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FIG. 5 How often do fraudsters commit more than one type of occupational fraud?



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FIG. 7 How does the duration of a fraud relate to median loss?



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Asset Misappropriation

FIG. 6 What asset misappropriation schemes present the greatest risk?

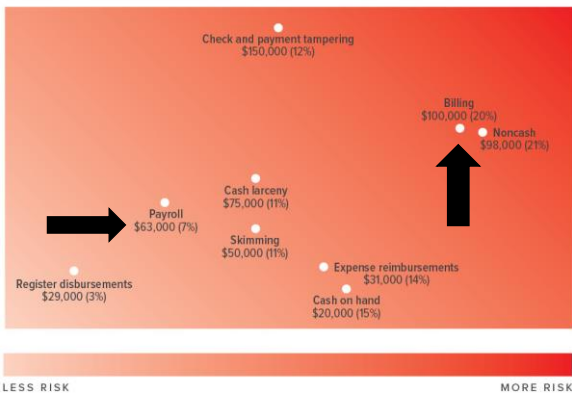
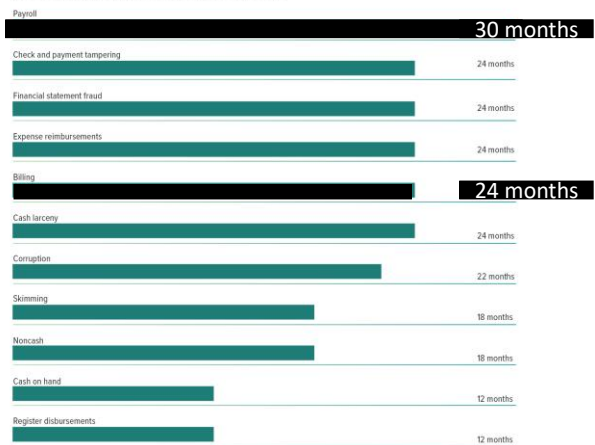
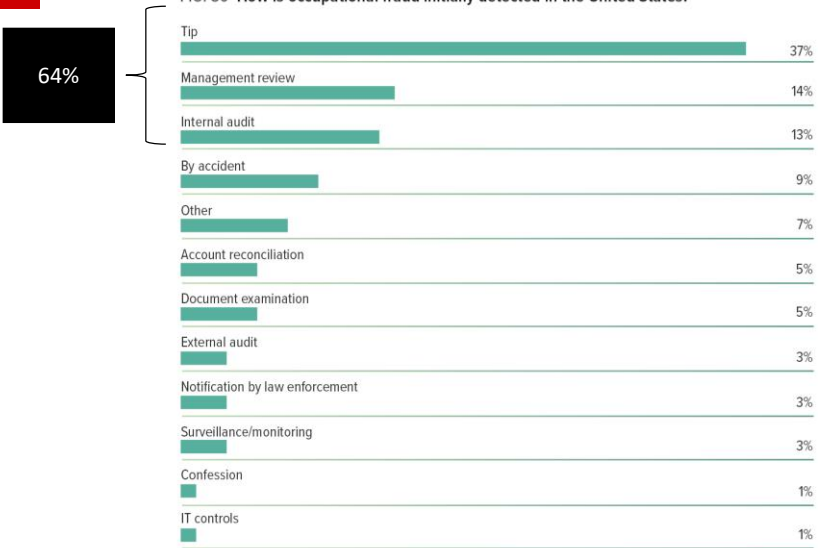


FIG. 8 How long do different occupational fraud schemes last?

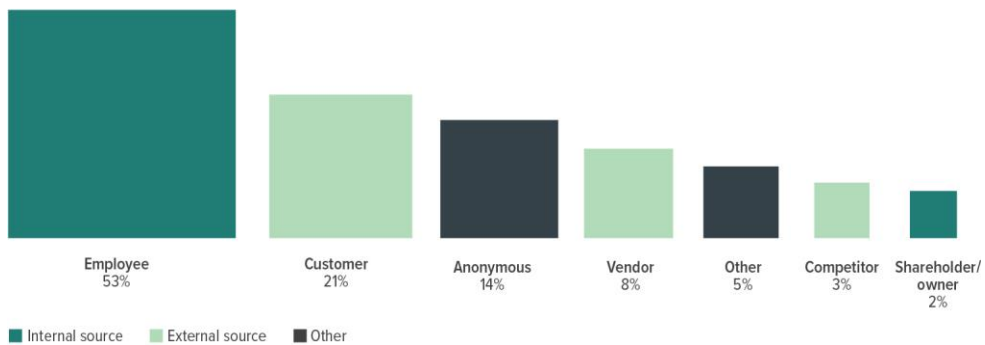


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Who reports?

FIG. 10 Who reports occupational fraud?



Polling Question 2

According to the ACFE Report to the Nations 2018, most common fraud method of detection is _____

- a. A whistleblowing tip from an employee.
- b. A management review.
- c. An anonymous whistleblowing tip.
- d. An external audit.

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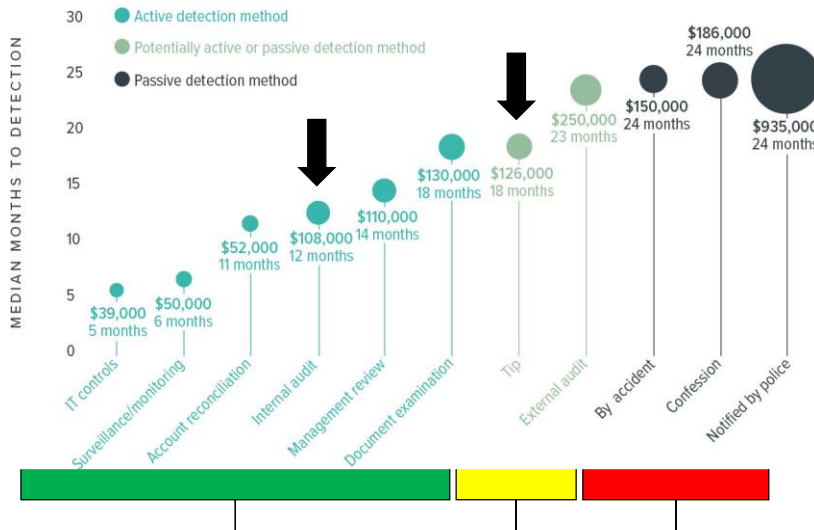
Polling Question 2 - Answer

According to the ACFE Report to the Nations 2018,

The most common fraud method of detection is a **whistleblowing tip** from an employee.

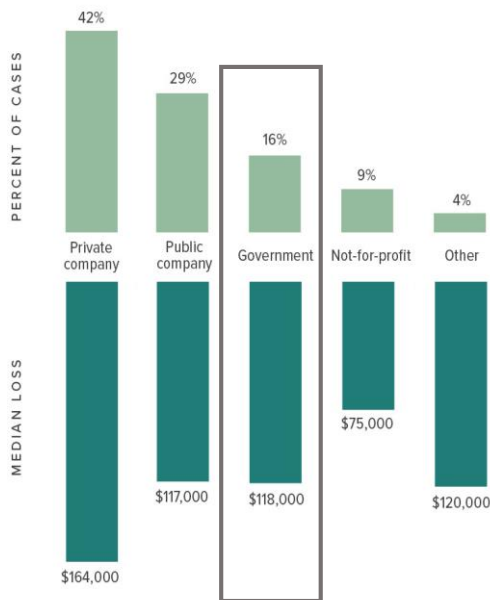
20

FIG. 11 How does detection method relate to fraud duration and loss?



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FIG. 12 What types of organizations are victimized by occupational fraud?



Caveat – report data is from cases CFEs were hired to investigate and solve.
AND
This is the % of cases in the survey

22

FIG. 13 What levels of government are victimized by occupational fraud?

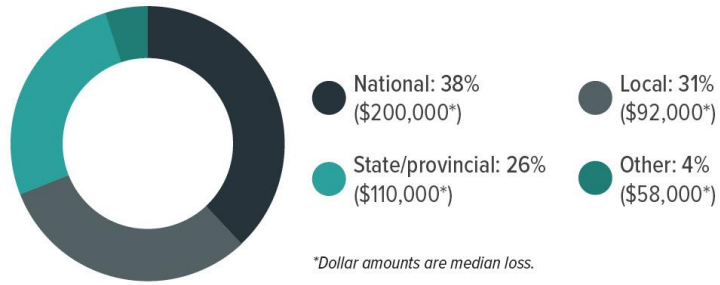


FIG. 16 What are the most common occupational fraud schemes in various industries?

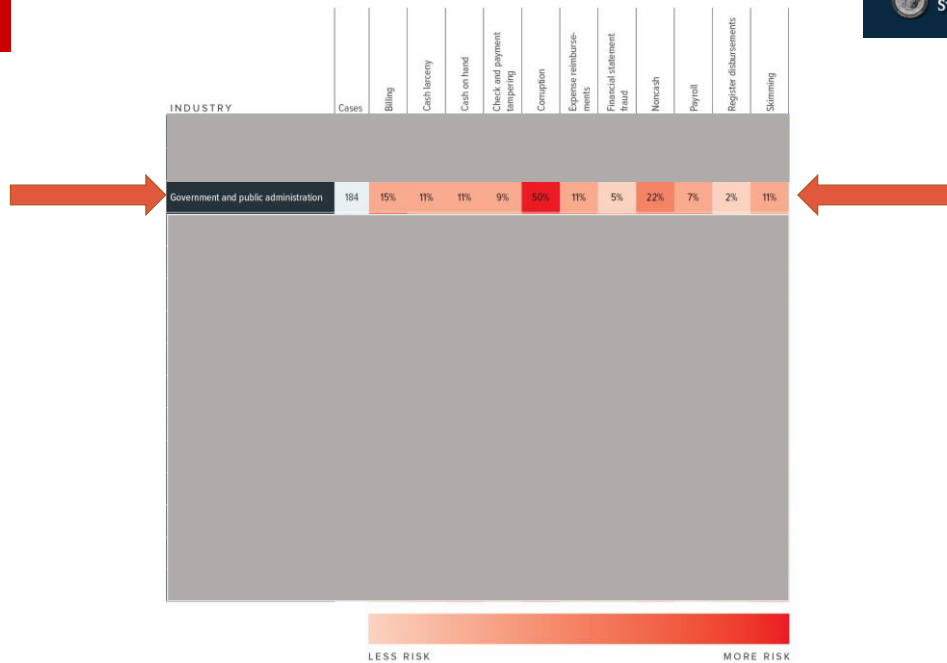
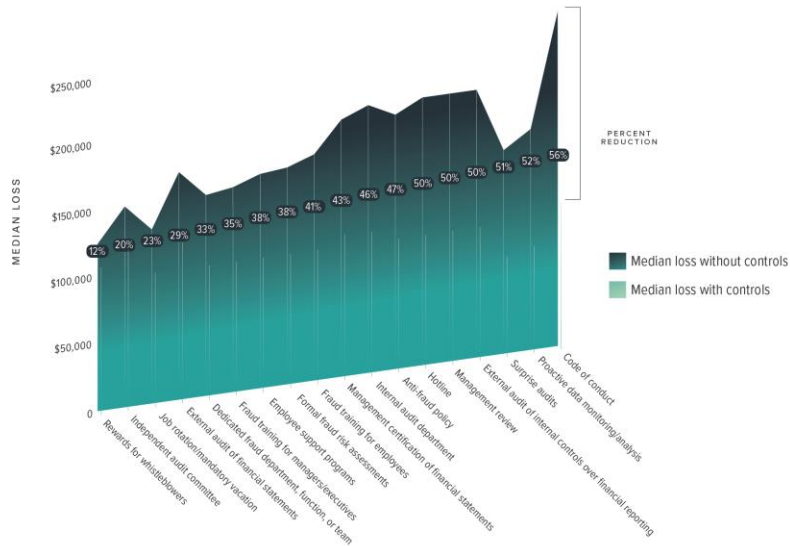


FIG. 18 How does the presence of anti-fraud controls relate to median loss?



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Polling Question 3

According to the ACFE RTTN 2018, the greatest reduction in the median loss due to fraud is associated with:

- Having a policy of job rotation and mandatory vacation
- Providing payments to whistleblowers
- Having an external audit
- Having a code of conduct

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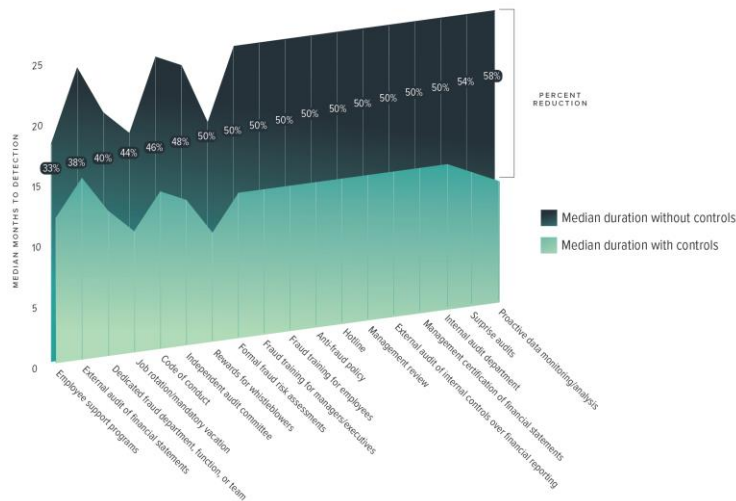
Polling Question 3 – Answer

According to the ACFE Report to the Nations 2018,

Having a **code of conduct** is associated with the greatest reduction in the median loss due to fraud.

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FIG. 19 How does the presence of anti-fraud controls relate to the duration of fraud?



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FIG. 22 What are the primary internal control weaknesses that contribute to occupational fraud?

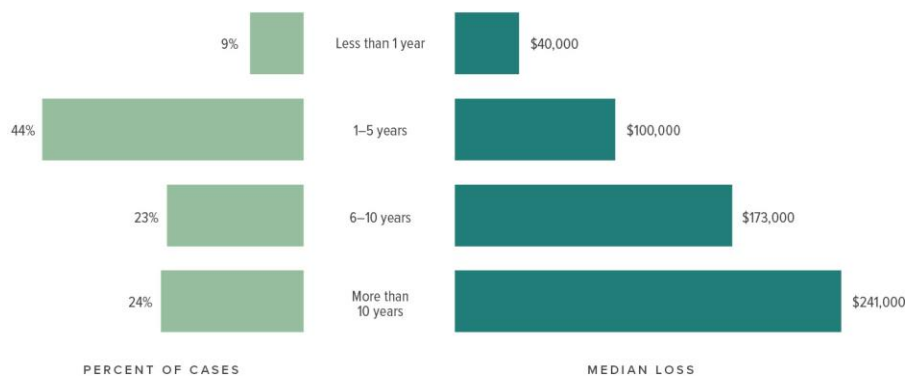


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FIG. 26 How does the perpetrator's tenure relate to occupational fraud?

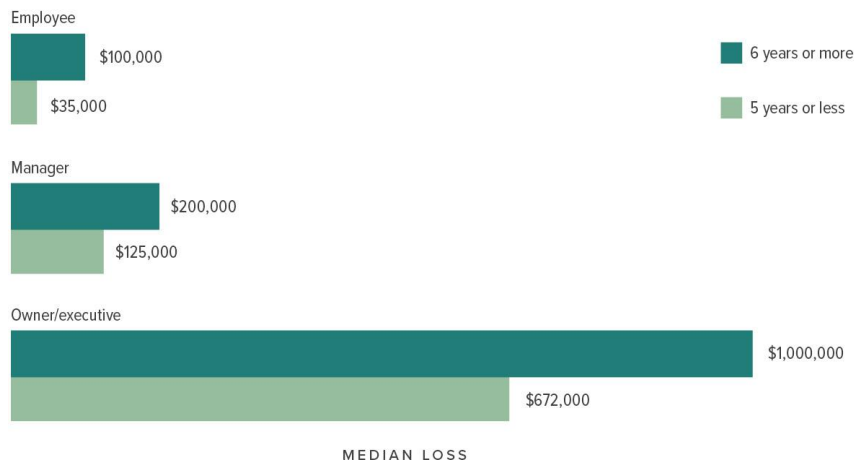


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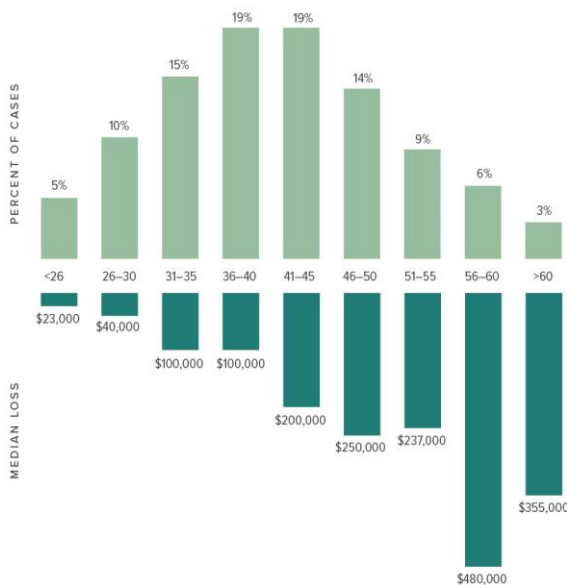
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FIG. 27 How does the perpetrator's tenure relate to median loss at different levels of authority?



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FIG. 33 How does the perpetrator's age relate to occupational fraud?



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FIG. 34 How does the perpetrator's education level relate to occupational fraud?

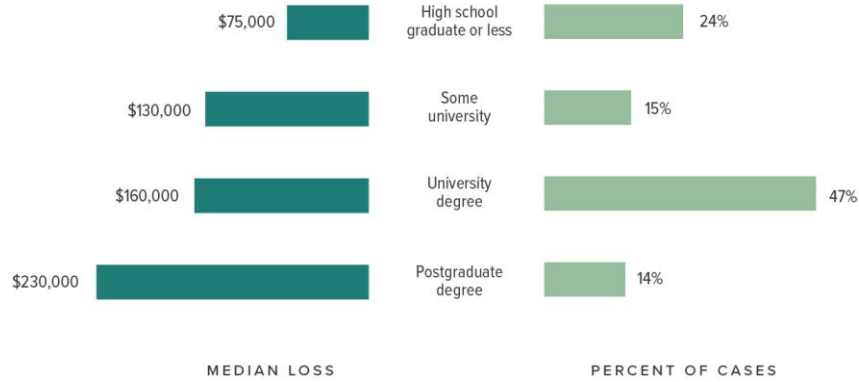


FIG. 35 How does the number of perpetrators in a scheme relate to occupational fraud?

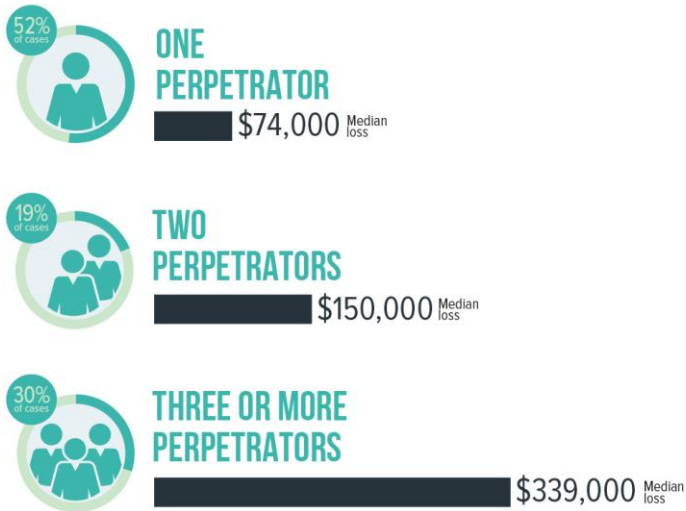


FIG. 36 Do perpetrators tend to have prior fraud convictions?



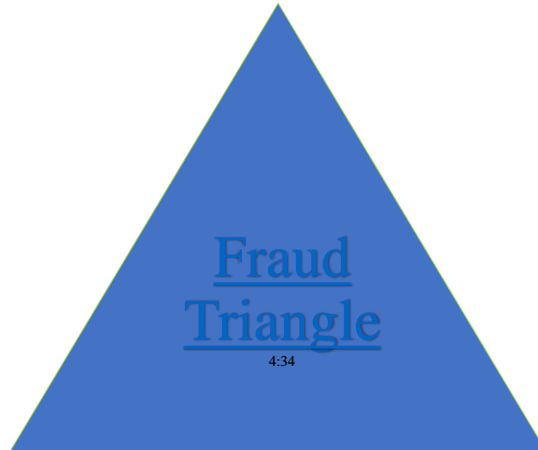
- Never charged or convicted (89%)
- Charged but not convicted (6%)
- Had prior convictions (4%)
- Other (1%)

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Opportunity (weak controls)



Pressure (Incentive)

Rationalization (why it is ok)

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Polling Question 4

According to the fraud triangle theory,

- a. Only two of the three legs are needed for fraud to occur.
- b. Rationalization reduces fraudsters' feelings of guilt.
- c. All people with pressure commit fraud
- d. Opportunity is not under control of the organization.

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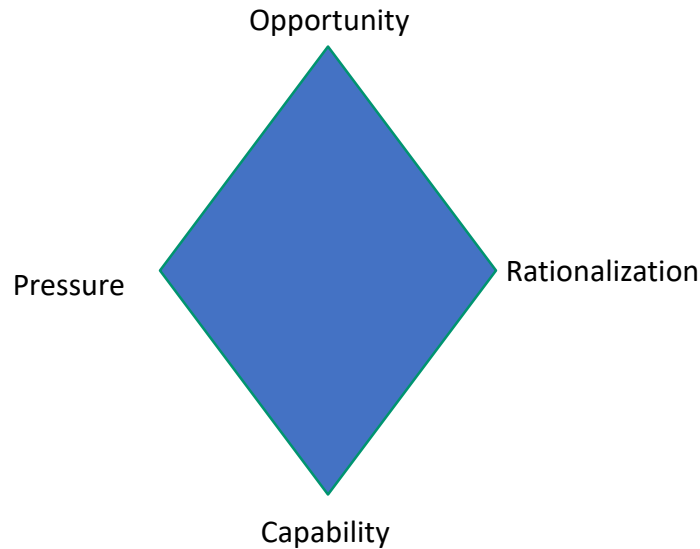
Polling Question 4 - Answer

According to the fraud triangle theory,

Rationalization reduces fraudsters' feelings of guilt

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Fraud Diamond (Wolfe and Hermanson)



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Capability

1. Function or position in organization
2. Clever/Smart
3. Ego/Confidence/Belief in ability to talk way out if detected
4. Coercion ability, charisma
5. Effective liar
6. Deals well with stress

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Ethical Dilemmas: Common global moral values (Kidder)

Honesty

Promise-keeping

Fairness

Respect for others

Compassion

Integrity

- Overwhelming global consensus.
- Differences only in the way cultures prioritize these.

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Ethical Dilemmas

Value	Value	Right versus wrong	Right versus right	Ethical Dilemma
Honesty	Dishonesty	X		No
Fairness	Unfairness	X		No
Four Dilemma Paradigms: when two values collide in one of the following ways:				
Truth	Loyalty		X	Yes
Individual	Community		X	Yes
Short term	Long term		X	Yes
Justice	Mercy		X	Yes

Whistleblowing: Truth versus Loyalty

Whistleblowing relates to actions taken by current or former organizational members to **report illegal, unethical, or illegitimate activities**, which are under the control of management, to persons who are willing and able to correct such misconduct.
(Miceli and Near, 1984)

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Polling Question 5

Whistleblowers face the choice between:

- a. Individual and Community
- b. Short term and Long term
- c. Truth and Loyalty
- d. Justice and Mercy

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Polling Question 5 - Answer

Whistleblowers face the choice between:

Truth and Loyalty

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When faced with fraud...

Moral Intensity (Jones 1991)

Six components

- Magnitude of Consequences Harm (how much)
- Social Consensus Evilness (how bad)
- Probability of Effect Chance (will lead to harm)
- Temporal Immediacy Time lag (how soon)
- Proximity..... Closeness (how close to me)
- Concentration of Effect Number (how many people)

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Understanding whistleblowers: Loyalty to ?

Theory

Economics approach says fraud detection belongs to people who would benefit directly:

- Legal view (auditors and securities regulators)
- Private litigation view (law firms)
- Finance view (equity and debt holders)

Reality

Fraud detection is actually found and reported by:

- Employees
- Non-financial market regulators
- Media
- Those who have little to gain and much to lose

Complex and costly

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Resources

- [ACFE website](#)
- Jones, T. 1991. Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of Management Review*, 16(2) 231-248.
- Kidder, R.M. 2005. *Moral Courage*, Harper Collins.
- Paeth, S. 2013. The responsibility to lie and the obligation to report. *Journal of Business Ethics*, 112, 559-566.
- Wolfe, D. and Hermanson, D. 2004. The Fraud Diamond: Considering the four elements of fraud. *CPA Journal* 74.12, 38-42.

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**Occupational Fraud Webinar
October 8, 2019**

Attendees by Last Name (312)

Kathryn Alexander-Forsyth Technical CC
Carolyn Alley-Blue Ridge CC
Shelly Alman-Gaston College
Cherie Anderson-ECU
Jina Armia-Cultural Resources
Cyndi Autenrieth-UNC Charlotte
Steve Ayers-ECU
Angela Bagley-Nash CC
Jarrett Bailey-UNC School of the Arts
Tammy Bailey-Martin CC
Nancy Baird-ASU
Rita Baker-Treasurer
Donald Barham-DOR
Jocelyn Barillas-
Latrice Barner-DEQ
Deana Bauer-Randolph CC
Samantha Beard-Central Piedmont CC
Anthony Bechtel-ECU
Kimberly Bell-Central Piedmont CC
Talana Bell-ASU
Terry Bell-Agriculture
Jeannie Betts-DHHS
Pamela Blackburn-Edgecombe CC
Jennifer Blair-UNC
Herlicia Blakely-UNC Charlotte
Jeremy Bledsoe-ECU
Jamette Blue-UNC Charlotte
Desiree Bowling-ECU
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Liz Brown-OSC
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Jessica Buckman-OSHR
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Essence Chambers-DOR
Debora Chance-DIT
Steve Chase-Wildlife
Najmul Chowdhury-DHHS
Chuck Church-DOT
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Gail Craft-Edgecombe CC
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Sylvia Crumpler-Agriculture
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Diane Davis-NC A&T
Elizabeth Davis-UNC Wilmington
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Steve Davis-DPS
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Jason Dearman-DOI
Rhonda Deaver-LCC
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John DelGreco-DPS
Stephanie Denton-DOR
Dieu Derr-Central Piedmont CC
Tracy Do-UNC Charlotte
Lisa Dooley-UNC Charlotte
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Pamela Duff-UNC Charlotte
Ryan Dupree-DPI
Becky Dzingeleski-DST
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Candy Edwards-DCR
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Shivani Jani-OSC
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Elizabeth John-AOC
Brittany Johnson-DOR
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Samantha Lederer-DEQ
Judy LeDoux-UNC Chapel Hill
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Jeanne Madorin-UNC Greensboro
Constance Mallette-WSSU
Lily Mariano-Edgecombe CC
Cheryl Marsh-ECU
Ebony Martin-UNC Chapel Hill
Jo Ann Martin-DHHS
Tony Martin-Surry CC
Ali Mateen-UNC Charlotte
Hillary Matthews-WCU
Lisa McClinton-UNC School of the Arts
Cynthia McCrory-Gaston College
Rachel McDonald-OSA
Jackie McKoy-DOR
Ben McLawhorn-OSC
Janine McLawhorn-Agriculture
Jessica McMahan-LCC
Joel Mercer-DHHS
Courtney Michelle-OSC
Teri Miller-UNC at Charlotte
John Monguillot-DPS
Amy Moody-ASU
Leigh Moore-Edgecombe CC
Sharon Moore-LCC
Sandra Moretz-ASU
April Morris-DST
Shelley Morris-UNC Wilmington
Tim Morris-ECU
Dannie Moss-ECU
Kimberly Munn-Commerce
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Amy Penson-Isothermal CC
Landon Perry-DEQ
Malinda Peters-DST
Tracy Pham-Central Piedmont CC
Michael Phillips-DOI
Jennifer Pittman-Nash CC
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Phillip Price-Central Carolina CC
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Dawn Quist-ECU
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Sarah Ray-DST
Jon Rea-UNC Charlotte
Linda Reece-UNC Charlotte
Lymari Rentas Gonzalez-DHHS
Mary Rich-ASU
Adriana Riguero-Central Piedmont CC

Melissa Rivenbark-DST
Marissa Roberts-Central Piedmont CC
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Nubia Romero-Central Piedmont CC
Lauren Rooney-Central Piedmont CC
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Jeani Rousseau-DPI
Laura Rowe-DST
Jordan Samuel-AOC
Joanie Saucier-OSC
Kim Saunders-UNC Charlotte
Cher Savas-
Troy Scoggins-OSC
Kimberly Seamans-UNC Charlotte
Rob Sewell-UNC Charlotte
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Joel Stocks-ECU
Dawn Sturgill-ASU

Dawei Tang-UNC at Chapel Hill
Marla Tart-Wake Technical CC
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Eileen Taylor-NCSU
Jade Taylor-LCC
Luke Thomas-UNC Health Care System
Scott Tisdale-ECU
Shoko Tokoro-UNC Charlotte
Kathleen Tolbert-OSC
Karen Tucker-UNC Pembroke
Samuel Tucker-DOR
Pamela Twitty-Edgecombe CC
Brandee Vaughan-Halifax CC
Prabhavathi Vijayaraghavan-OAH
Angela Visnosky-NCSU
Sarah Von Stein-ECU
Tee Vu-Central Piedmont CC
Danielle Ward-AOC
Brandon Watson-DST
Kyle Watson-Mitchell CC
David Webb-Johnston CC
Becky Welch-ECU
Kerin Weston-UNC Charlotte
Gloria Whitaker-Edgecombe CC
Debbie White-NC CC System
Janequa White-LCC
Michael Whiteman-Central Piedmont CC
Amber Wilkes-DHHS
Deidra Williams-ECU
Susan Williams-UNC System Office
Elizabeth Wilson-DOT
M Monique Wilson-UNC Charlotte
Renee Wyatt-LCC
Cheryl Yanik-NCSU
Tina Yoogin-AOC

**Occupational Fraud Webinar
October 8, 2019**

Attendees by Agency (312)

Jocelyn Barillas
Cher Savas
Terry Bell-Agriculture
Sylvia Crumpler-Agriculture
Nancy Gemma-Agriculture
Douglas Gilbert-Agriculture
Dawn Godwin-Agriculture
Younghee Lee-Agriculture
Janine McLawhorn-Agriculture
Angela Cole-AOC
Christin Connor-AOC
Elizabeth John-AOC
Raquel Luster-AOC
Jordan Samuel-AOC
Danielle Ward-AOC
Tina Yoogin-AOC
Nancy Baird-ASU
Talana Bell-ASU
Theresa Bryan-ASU
Cheryl Creed-ASU
Paul Forte-ASU
Denise Foutz-ASU
Elisha Frye-ASU
Myra Hayler-ASU
Amy Moody-ASU
Sandra Moretz-ASU
Martha Presnell-ASU
Mary Rich-ASU
Dawn Sturgill-ASU
Carolyn Alley-Blue Ridge CC
Santresa Culpepper-Brunswick CC
Renee Jones-Brunswick CC

Demaris Lance-Brunswick CC
Jackie Prichard-Brunswick CC
Lois Smith-Brunswick CC
David Holman-Caldwell CC
Christina Greene-Cape Fear CC
Donna Cumbie-Carteret CC
Wes Bunch-Catawba Valley CC
Jennifer Hamm-Catawba Valley CC
Tamara Joyner-Central Carolina CC
Phillip Price-Central Carolina CC
Samantha Beard-Central Piedmont CC
Kimberly Bell-Central Piedmont CC
Jessica Boyce-Central Piedmont CC
Dana Cordell-Central Piedmont CC
Michelle Davis-Central Piedmont CC
Dieu Derr-Central Piedmont CC
Amy Dowdy-Central Piedmont CC
Jennifer Ennis-Central Piedmont CC
Lauren Gates-Central Piedmont CC
Leroy Jamison-Central Piedmont CC
Tracy Pham-Central Piedmont CC
Adriana Riguero-Central Piedmont CC
Marissa Roberts-Central Piedmont CC
Nubia Romero-Central Piedmont CC
Lauren Rooney-Central Piedmont CC
Kelly Starnes-Central Piedmont CC
Tee Vu-Central Piedmont CC
Michael Whiteman-Central Piedmont CC
Susan Gentry-College of The Albemarle
Kimberly Munn-Commerce
Christine Hurst-Craven CC
Jina Armia-Cultural Resources
Candy Edwards-DCR
Susan Flowers-DCR
Derek Gee-DCR

Elizabeth Haynes-DCR
Catherine Prince-DCR
Samantha Stevens-DCR
Latrice Barner-DEQ
Julie Cubeta-DEQ
Ellie Davos-DEQ
Samantha Lederer-DEQ
Landon Perry-DEQ
Jeannie Betts-DHHS
Kathy Brosky-Spearman-DHHS
Najmul Chowdhury-DHHS
Deborah DeBourg-Brown-DHHS
Jolene Elkins-DHHS
Destiny Faison-DHHS
Adris Fortunato-DHHS
Kris Horton-DHHS
Jo Ann Martin-DHHS
Joel Mercer-DHHS
Tiffiney Newton-DHHS
Lymari Rentas Gonzalez-DHHS
Mary Rodgers-DHHS
David Sperry-DHHS
Amber Wilkes-DHHS
Debora Chance-DIT
Angelika Chafalovitch-DOA
Jason Dearman-DOI
Laresia Everett-DOI
Laura Greenwood-DOI
Michael Phillips-DOI
Matthew Longobardi-DOJ
Donald Barham-DOR
Essence Chambers-DOR
Stephanie Denton-DOR
Brittany Johnson-DOR
Jackie McKoy-DOR

Samuel Tucker-DOR
Chuck Church-DOT
Beth Cox-DOT
Elizabeth Wilson-DOT
Ryan Dupree-DPI
Denise Jackson-DPI
Susan Kearney-DPI
Jeani Rousseau-DPI
Felicia Cromwell-Johnson-DPS
Steve Davis-DPS
John DeIGreco-DPS
Darlene Langston-DPS
John Monguillot-DPS
James Burke-DST
Elizabeth Cass-DST
Manasa Cooper-DST
Becky Dzingeleski-DST
Joan Fontes-DST
Samiel Fuller-DST
Debra Haynes-DST
Katherine Howell-DST
Fran Lawrence-DST
April Morris-DST
Jones Norris-DST
Paul Palermo-DST
Malinda Peters-DST
Sarah Ray-DST
Melissa Rivenbark-DST
Laura Rowe-DST
Brandon Watson-DST
Cherie Anderson-ECU
Steve Ayers-ECU
Anthony Bechtel-ECU
Jeremy Bledsoe-ECU
Desiree Bowling-ECU

Stephanie Coleman-ECU
Sharon Cullipher-ECU
Vincent Falvo-ECU
Patricia Fritz-ECU
Tereasa Hopkins-ECU
William Kraus-ECU
Cheryl Marsh-ECU
Tim Morris-ECU
Dannie Moss-ECU
Patty Peebles-ECU
Wayne Poole-ECU
Dawn Quist-ECU
Jon Sholar-ECU
Faye Steele-ECU
Joel Stocks-ECU
Jeremiah Tate-ECU
Scott Tisdale-ECU
Sarah Von Stein-ECU
Becky Welch-ECU
Deidra Williams-ECU
Pamela Blackburn-Edgecombe CC
Gail Craft-Edgecombe CC
Meredith Harrell-Edgecombe CC
Nancy Lovett-Edgecombe CC
Lily Mariano-Edgecombe CC
Leigh Moore-Edgecombe CC
Belinda Myers-Edgecombe CC
Raymond Pachnar-Edgecombe CC
Stanley Sivels-Edgecombe CC
Pamela Twitty-Edgecombe CC
Gloria Whitaker-Edgecombe CC
Kathryn Alexander-Forsyth Technical CC
Wendy Emerson-Forsyth Technical CC
Elisa Fernbach-Forsyth Technical CC
Melanie Nuckols-Forsyth Technical CC

Jeffrey Henderson-FSU
Shelly Alman-Gaston College
Lynda Ellington-Gaston College
Ashley Graham-Gaston College
Cynthia McCrory-Gaston College
Supriya Parpard-Guilford Tech CC
David Forester-Halifax CC
Sanethia Smith-Halifax CC
Brandee Vaughan-Halifax CC
Ariana Kudlats-Housing & Finance
Amy Penson-Isothermal CC
David Webb-Johnston CC
Rhonda Deaver-LCC
Jordan Houston-LCC
Candice Madden-LCC
Jessica McMahon-LCC
Sharon Moore-LCC
Jade Taylor-LCC
Janequa White-LCC
Renee Wyatt-LCC
Tammy Bailey-Martin CC
Kyle Watson-Mitchell CC
Angela Bagley-Nash CC
Jennifer Pittman-Nash CC
Helen Buck-NC A&T
Diane Davis-NC A&T
Steve Fleeman-NC A&T
Michael Jackson-NC A&T
Bryan Jenkins-NC CC System
Debbie White-NC CC System
Leila Jabbar-NC Courts
Jim Horne-NC General Assembly
Thomas Harrington-NC SBE
Tabitha Groelle-NCSU
Heidi Kozlowski-NCSU

Eileen Taylor-NCSU
Angela Visnosky-NCSU
Cheryl Yanik-NCSU
Prabhavathi Vijayaraghavan-OAH
Rachel McDonald-OSA
Ashley Price-OSA
Elizabeth Kay Radford-OSBM
Barry Brown-OSC
Liz Brown-OSC
Edith Cannady-OSC
Shivani Jani-OSC
Phacharawalai Kidking-OSC
Laura Klem-OSC
Kathy Lagana-OSC
Ben McLawhorn-OSC
Courtney Michelle-OSC
Jennifer Pacheco-OSC
Joanie Saucier-OSC
Troy Scoggins-OSC
Randy Smith-OSC
Kathleen Tolbert-OSC
Jessica Buckman-OSHR
Deana Bauer-Randolph CC
Joshua Brown-Randolph CC
Daffie Garris-Randolph CC
Tami George-Robeson CC
Lettie Navarrete-Robeson CC
Nancy Nelson-SBI
Kim Bradshaw-Stanly CC
Tony Martin-Surry CC
Rita Baker-Treasurer
Jennifer Blair-UNC
Robin Gore-UNC Asheville
Dawei Tang-UNC at Chapel Hill
Teri Miller-UNC at Charlotte

Karin Langbehn-Pecaut-UNC Chapel Hill
Judy LeDoux-UNC Chapel Hill
Ebony Martin-UNC Chapel Hill
Trushaben Patel-UNC Chapel Hill
Rod Smith-UNC Chapel Hill
Cyndi Autenrieth-UNC Charlotte
Herlicia Blakely-UNC Charlotte
Jamette Blue-UNC Charlotte
Anne Brown-UNC Charlotte
Pearl Brown-UNC Charlotte
Bobbi Butler-UNC Charlotte
Theresa Butler-UNC Charlotte
Renetta Darity-UNC Charlotte
Tracy Do-UNC Charlotte
Lisa Dooley-UNC Charlotte
Jonathan DuBose-UNC Charlotte
Pamela Duff-UNC Charlotte
Julie Earls-UNC Charlotte
Denice Ferguson-UNC Charlotte
Mary Fisher-UNC Charlotte
Mark Haire-UNC Charlotte
Ellen Harris-UNC Charlotte
Amy Hisler-UNC Charlotte
Greg Husted-UNC Charlotte
Karen King-UNC Charlotte
Christy Langdon-UNC Charlotte
Sarah Lynch-UNC Charlotte
Ali Mateen-UNC Charlotte
Jerri Painter-UNC Charlotte
Elizabeth Palian-UNC Charlotte
Jon Rea-UNC Charlotte
Linda Reece-UNC Charlotte
Deborah Rose-UNC Charlotte
Kim Saunders-UNC Charlotte
Kimberly Seamans-UNC Charlotte

Rob Sewell-UNC Charlotte
Sheena Smallwood-UNC Charlotte
Julie Sparks-UNC Charlotte
Rich Steele-UNC Charlotte
Shoko Tokoro-UNC Charlotte
Kerin Weston-UNC Charlotte
M Monique Wilson-UNC Charlotte
Jeanne Madorin-UNC Greensboro
Luke Thomas-UNC Health Care System
Kellie Cain-UNC Pembroke
Kasey Jones-UNC Pembroke
Leila Sinclair-UNC Pembroke
Karen Tucker-UNC Pembroke
Jarrett Bailey-UNC School of the Arts
Lisa McClinton-UNC School of the Arts
Leon Browning-UNC System Office
Debbie Dryer-UNC System Office
Susan Williams-UNC System Office
Elizabeth Davis-UNC Wilmington
Joanne Ferguson-UNC Wilmington
Dana Harris-UNC Wilmington
Heather Iannucci-UNC Wilmington
Shelley Morris-UNC Wilmington
Stefanie Powell-UNC Wilmington
John Robinson-UNC Wilmington
Linda Lejnar-Wake Technical CC
Marla Tart-Wake Technical CC
Hillary Matthews-WCU
Brady Proffitt-WCU
Tabatha Springer-WCU
David Steinbicker-WCU
Gina Steinbicker-WCU
Steve Chase-Wildlife
Crystal Huffman-Wilkes CC
Constance Mallette-WSSU

Webinar: Occupational Fraud – What, Why, How, and Who?

October 8, 2019

Questions and Answers

Some examples of where we are looking to prevent fraud are cases such as:

Scenario: Professional development seminar that are scheduled using Eventbrite and it has a bank account or PayPal account tied to it for payment.

Answer: I would use independent reconciliation of the account by a supervisor who is above the person responsible for setting up and maintaining the account. I also would recommend that the money not be kept in PayPal or Eventbrite accounts after the event itself, but rather it should be swept into a bank account at the organization. Oversight, monthly reporting, and reconciliation are all good preventive and detective methods that would help reduce fraud likelihood. Budgets and comparison of budget to actual are also sometimes overlooked as a detective control, but they can help identify when money may be missing.

Scenario: GoFundMe is used as a fund-raising method. How can this be protected?

Answer: Is GoFundMe being used here to raise money for governmental entities or specific events? Are we talking about schools using the tool to raise funds? If so, a school employee should be setting up the GoFundMe and their supervisor should independently review the account on a regular basis. I wouldn't recommend a PTA member or non-employee set up a GoFundMe on behalf of the organization. The organization should create a policy related to fundraising that addresses online fundraising sites, and whether and how they can be used. Management should consider the risk of asset misappropriation, as well as reputation risk, if funds should be stolen.