Fighting & Finding Fraud....

...A 24 hour Responsibility!!

Steve Goepfert, CIA, CPA(inactive), CRMA
Retired Vice President Internal Audit
United Airlines, Inc.

IIA Seattle Chapter
Thursday, March 25, 2021
“Fraud and falsehood only dread examination. Truth invites it.”—Samuel Johnson (English Author)
Employee Fraud

Increased Exposures

Increased Uncertainty  Increased Anxiety

Expense Reports  Payroll  Company Assets  Benefits Abuse
Payroll Abuse

Overtime Verification

Compensation/Bonuses

Stolen time (running businesses from the office)
Company Assets

- Travel Related Items
  - Tickets
  - Certificates

- Operational Items
  - Parts
  - Supplies
  - Vehicles

- Administrative Items
  - Computers
  - Cell Phones
  - IPads
Contractor/Vendor/Supplier Fraud

- Contracts
- Rates
- Competitive Bids
- Altered Documents
- Payroll Registers
- Time Charged
### Contractor/Vendor/Supplier Fraud

| Verify Existence | • Where does the business operate?  
• *Google is your friend*  
| Due Diligence | • What is the state of the industry?  
• *Continual check of credit worthiness*  
| Continual Data Analysis | • Who are related parties?  
• *Annual background checks* |
Investigations

Data Mining  Monitoring  Interviewing
Data Mining

Perform Detail Analysis—Look for Anomalies

- IP Address Monitoring
- Continuous Controls Monitoring
- ACL
Monitor Electronic Data

**Physical Presence**
- Office Building Access
- Parking Garage Access

**Virtual Presence**
- Computer Logins
- Phone Usage
- Text Messages

Is the “evidence” in balance with the “story”?
Interview Techniques

**Do Your Homework**
Always try to know the answer to the interview question before you enter the interview room.

**Have A Witness**
To protect yourself and the accused”, have an independent party to corroborate what is said and ensure objectivity is maintained.

**Use Tools Allowed by Law**
Use tape recorders/camcorders, etc., when permitted by interviewee, or permitted by law.
Interview Don’ts

Tell Everything You Know

An honest person will always get to the right answer; a dishonest person “knows” the real answer, but will try to conceal the story.

Accuse

Let them build their story until they have nowhere to hide. You are an auditor, not law enforcement!

Lose Your Cool

This is a business and objectivity is the key.

Make Deals

As an auditor, you are after the facts; deals are for other parties to do.
Continual Education & Training

Tone at the Top

Code of Conduct

Ethics & Compliance Program

Supplier Disclosures

Whistleblower Hotline
Fraud cases

- Grandma never lies…
- Absence makes the heart grow fonder..
- In Texas, we call that “grand larceny”
- Bank accounts in heaven?
- I just called to say “hello”
- And a boy named “Sue”
Questions & Answers

- Steve.goepfert13@gmail.com