

February 2009

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Association of

Certified Fraud Examiners

Greater Chicago Chapter

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The mission of the Association of Certified Fraud Examiners is to reduce the incidence of fraud and white-collar crime and to assist the Membership in its detection and deterrence.



A Message from the President



Delena D. Spann

Greetings Greater Chicago Chapter Members,

We are certainly off to a great start for the New Year: political and public corruption, impeachments, Ponzi schemes, massive industry lay-offs, and major companies closing their doors. Our new president has his hands full!

How is it that we, the richest country in the world, have allowed ourselves to be tangled in a web that obviously is the antithesis of how we see ourselves morally? The American hegemony has long been the pioneer spirit, strong in body and mind, hard-working, honest, compassionate and generous. However, when I look around at some of our corporate, political and religious leaders I wonder that the saying is true: power corrupts. The average American hasn't exactly been behaving either. There's a fair amount of greed out there, and few of us can say we haven't participated in it to one degree or another.

So now, how do we get back to our American ideals? How do we get back on track? It is a national disgrace that corporations can lay off thousands and pay huge salaries and stock options to their CEO's. President Obama lashed out at bank executives who eagerly took handouts from the taxpayers and paid themselves \$18 billion in bonuses. Where did this unbridled greed come from? Our moral compasses have gone off course for sure.

An article in the Sun Times on January 24, 2009, written by Rev. Robert Barron, summed the pervasiveness of this shameful state of affairs by comparing our current leaders to those of ancient times. 1 Samuel 30 is referenced in Rev. Barron's article.

He will take the best of your fields and give them to his officials. . . "In short, he will abuse his power and oppress the people for his own benefit." Despite this warning, the people persist in demanding a king, and so God tells Samuel ruefully, "Grant their request and appoint a king to rule them." What follows, over centuries, is one of the most corrupt, incompetent and abusive lines of monarchs in human history.

We don't have a monarchy, but we have surely made cash our king. Haven't we experienced enough in these last few years? Do you recall me stating in a previous newsletter that this environment is a fraudster's paradise? Well, my fellow fraud colleagues—paradise is here.

UNREFUTABLE HEADLINES: A suburban man of Prospect Heights who swindled over 300 investors is charged in federal court with mail fraud and Ponzi scheming. O'Malley's Hotdog Stand in Bridgeport is cited for illegal pickups of garbage. Freddie Mac wants \$35 billion more dollars to assist them in the bailout. The owner of Andriana Furs (Chicago) has pled guilty to money

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laundering for funneling monies of illegal narcotic proceeds through the business. The cycle continues and the fraudsters are lurking.

Our first chapter event for the year will be held on Friday, March 13th at The Federal Reserve Bank with Deanna Wilner, CFE as the speaker. Please see our website at www.acfechicago.org for additional information on local chapter events.

The Greater Chicago Chapter Women's Fraud Group and Sponsorship Committee need your help. For those who are interested please contact me directly at delena.Spann@ussd.dhs.gov or Glatz Management Services. (Chris & Karen)

Our vision remains: "Let's Go Shopping For Fraudsters"

Best Regards,

Delena D. Spann, M.S., CFE, CCA

President, ACFE Greater Chicago Chapter

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Editor's Note:

Like Oprah, Delena is a voracious reader, especially when it comes to the subject of fraud. These are some of the articles that Delena recommends for good Spring reading:

A Recession of Biblical Proportions, CNN Money (Fortune), February 2009

Wallstreet's \$18.4 Billion Bonus, Vanity Fair, March 2009

Banks Still Tightening Loan Standards, Business Week, February 2009

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Ring Around the White Collar

By Robert Quillinan, MBA, CFE

OK, all together now: Madoff, Madoff, Madoff

What more can I say but this guy has set a new standard. I remember when a hundred million dollar fraud was a big thing. Madoff is somewhere North of \$50 billion. A new bench mark has been set.

I just want to send a personal shout out to the New York Federal Magistrate who has twice denied incarceration of Madoff even though the US Attorney has provided evidence that Madoff has attempted to send jewelry and checks to family members outside of the US in an effort to defraud the courts. By the way, that finger I'm holding in the air is not signifying your number one.

As Elmer Smith, a columnist for the Philadelphia Daily News recently wrote, "the only respect Madoff should get is "three hots and a cot" at the nearest Federal prison." Smith points out that if you or I miss a few child support payments, we can find ourselves sharing a toilet with some gang banger, but Bernie apparently gets to stay in his million dollar plus condo overlooking Central Park.

We will follow this as it unfolds. It will be interesting to see just how GAAP was totally circumvented and no one caught it.

How the system is suppose to work.

In the spring of 2007, the National Futures Exchange (NFE) conducted an audit of a foreign currency merchant/dealer with offices in New York and our very own Winnetka.

I would loved to have seen the look on the audit managers face when the junior auditor walked up and said, "Can the owner really charge \$140,000 worth of jewelry on his corporate credit card and expense it?"

By the way, not that I have first hand knowledge, but isn't that a great way to keep the gifts for the arm candy away from the little woman? Just asking.

That was just the tip of the iceberg. Additional review found that the two owners, Charles Martin of Glencoe and John Walsh of Lake Forest, had enjoyed quite a life style at the expense of their customers.

The NFE additionally uncovered:

- Purchase of a private jet
- The bank rolling of an as yet unreleased movie starring the rapper, Busta Rhymes
- And my personal favorite, more than \$1 million in strip clubs. That's a lot of lap dances. (I've been told, of course)

How did they allegedly do it? Just like Bernie, a variant of the Ponzi scheme. Seems like everyone bought into the image, as opposed to the substance. We all want to be around someone that appears to be a winner. Just be cautious when they want your money.

See the full complaint at the Justice Dept site:

www.usdoj.gov/usao/iln/pr/chicago/2009/pr0107_01.pdf

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Truth or Consequences

In the Sanskrit language the word Satyam means Truth. One of India's largest computer services and outsourcing firms, Satyam Inc, was built up by the son of a grape farmer, B Ramalinga Raju.

In a letter to shareholders recently Mr. Raju admitted that the profits of the company had been inflated for many years. In the letter he stated that as the company began to loose money, every attempt was made to eliminate the gap. Apparently, that meant doctoring the books with phony cash and investment income.

You know how one little lie begets a little larger lie and then a little larger until you have a big lie? Well after for the third quarter of 2008, the lie had grown to \$133 million, more than 11 times the actual earnings.

The company is on the verge of collapse and the subject of dozens of lawsuits. The chairman, Mr. Raju perhaps put it best, with a true vision of Indian culture when he said, "It was like riding a tiger and not knowing how to get off without being eaten."

Bullet Points:

- We'll never know why he did it, but Gary Jones of Detroit, Michigan changed the beneficiary on two \$250,000 life insurance policies to a family friend, David Stann in March of 2007. Stann then promptly killed Jones. Stann made the death look like a random robbery and was not originally suspect. Stann soon got a death certificate and was given an initial payment of \$250,000. However, after other acquaintances came forward with similar stories of Stann trying to set up insurance related frauds, the police started looking a Stann. He went on a spending spree and was broke by the time authorities arrested him. (This is why I never put my kids on my life insurance.)
- Another simple but effective fraud. Minnesota Department of Human Resources worker Kim Joann Austen slaved away paying claims for the Medicaid division. Then one day she got the idea on how to work the system for herself.

She submitted a fictitious name to Medicare for a provider number. Because all the boxes were filled out, she was immediately given one. She then tested the system with a few small bills and was shocked to see that she was promptly paid. Nice.

She got a little bolder after that and five years later and over \$1 million later, she got caught. The good guys caught her through an audit program. She plead guilty to one count of health care fraud and will be sentenced next month.

We are so desperate for health care in our inner cities that we hardly ever question the credentials of anyone that is willing to treat our poorest people. Don't know what the answer is, but I know something needs to change.

- Baltimore Mayor Sheila Dixon was indicted recently and charged with multiple counts of fraud related crimes. Some of the charges:
 - √ Trips with her then "personal relationship" partner Ronald Lipscomb. Interesting note about Lipscomb, a minority subcontractor that did business with the city, he was indicted separately in January for bribing city officials. Dixon was required to disclose gifts from anyone doing business with the city.
 - √ Using gift cards donated by a local businessman for the purpose of allowing underprivileged children to purchase gifts for family members. In one instance, not only is Dixon seen on store video using one of the cards, but she pays the difference of the cost and the card with her own credit card. The purchase? An Xbox 360.

Like every citizen, she is innocent until proven guilty, and a trial date will soon be set.

Until next time, remember, follow the money.

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DATA Analysis Series: Developing Response Models – Excerpt from Healthcare Fraud Audit and Detection Guidebook

By Rebecca S. Busch, RN, MBA, CCM, CFE, FHFMA

"I am a great believer in luck, and I find the harder I work, the more I have of it" Thomas Jefferson. The harder you work on the front end, the luckier you will be in materializing information that will generate productive results. In healthcare, it is a blend of luck generated from well-organized and structured audit and investigations. This part series of articles applies a sample series of data analysis models. These models are the results of output activity from data mining. In the data output world, we have a new continuum to monitor, understand, and use as a guide in audit and investigation of fraud. This is referred to as the anomaly continuum. View these as potential frameworks for building data warehouses of information for analysis.

The prior articles on data analysis introduced the series of detection, investigation, mitigation, and prevention data models and its various components. This article will continue with response model for data analysis. The sample case flow is an actual case slightly modified with hypothetical names.

Response Model

This component of the anomaly continuum is about the response to the irregularity noted. The response can take the form of words or action. Let's review the following case that involves a third-party billing company:

Emergency Physician Billing Services, Inc. . . . provided coding, billing, and collections services for emergency physician groups in over 100 emergency departments in as many as 33 states. Based upon allegations presented by a *qui tam* realtor, the United States charged that EPBS and its [principal] owner, Dr. J. D. McKean, routinely billed Federal and state health care programs for higher level of treatment than was provided or supported by medical record documentation.

EPBS was paid based on a percentage of revenues either billed or recovered, depending on the

client. EPBS coders received a base pay with bonuses based on the number of charts processed and were required to process 40 emergency room medical charts per hour, or the equivalent of a chart every 90 seconds. By contrast, a competitor of EPBS requires 120 charts per day. The EPBS coders were able to meet these quotas by taking short-cuts and disregarding information in the chart. . . . No coder at EPBS ever attended training or any other informational meeting regarding emergency department coding other than in-house EPBS training and no coder ever contacted a physician with questions regarding a chart.

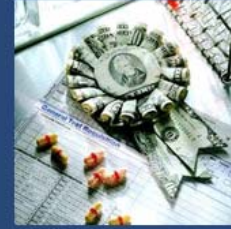
. . . The defendants agreed to pay \$15.5 million to resolve their civil and administrative monetary liabilities. In addition, Dr. McKean agreed to be excluded from participation in the Federal health care programs for 15 years and EPBS entered into a comprehensive CIA. (Lewis Morris Assistant Inspector General for Legal Affairs, Testimony Before the House Committee on Commerce, Subcommittee on Oversight and Investigations, April 6, 2000, <http://oig.hhs.gov/reading/testimony/2000/00406fin.htm>)

The market response from this action was clear from a criminal perspective. EPBS was pursued by the Department of Justice for false claim activity. However, the secondary market response was the generation of a compliance guidance by the Department of Health and Human Services (see "Office of Inspector General's Compliance Program Guidance for Third-Party Medical Billing Companies," *Federal Register*, Vol. 63, No. 243, December 18, 1998, retrieved from <http://oig.hhs.gov/fraud/docs/complianceguidance/nhsolicit.pdf>). In response to market activity within the HCC, the above referenced compliance guidance was generated.

Several emerging issues of third-party medical billing companies were noted. First, third-party medical billing companies are increasingly providing crucial services to doctors that could greatly impact the stability of the Medicare Trust Fund and the cost of healthcare in this country. Second, healthcare professionals are consulting with billing companies to provide timely and accurate advice with regard to reimbursement matters, as well as overall business decision making. Finally, individual billing companies



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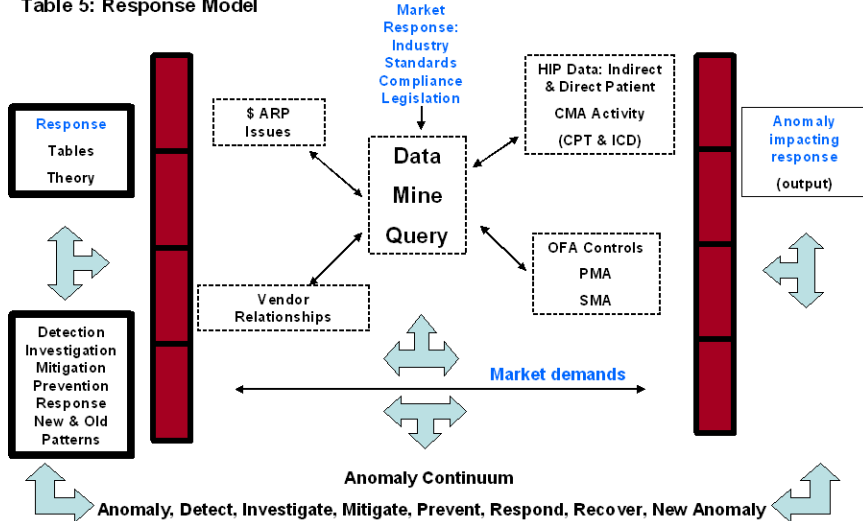


may support a variety of providers with different specialties. As a result, the following general components of an effective compliance program can be found within this document. They include the following list:

1. Implementing written policies, procedures, and standards of conduct;
2. Designating a compliance officer and compliance committee;
3. Conducting effective training education;
4. Developing effective lines of communication;
5. Enforcing standards through well-publicized disciplinary guidelines;
6. Conducting internal monitoring and auditing;
7. Responding promptly to detected offences and developing corrective action.

Within Table 5, a category of "Market Response: Industry Standards, Compliance, and Legislation" was added to reflect these attributes in the data mining process.

Table 5: Response Model



The goals of compliance by third-party medical billing companies include improved medical record documentation; improved collaboration, communication, and cooperation among healthcare providers and those processing and using personal health information (PHI); increased likelihood of identification and prevention of criminal and unethical conduct; and added assurance that the third-party billing company fulfills its legal duty and does not submit false or inaccurate claims to government or private payers. Audits for compliance now become a data element in this continuum.

The following case example involves a prosecuted case of a pharmaceutical manufacturer.

[A] Pharmaceutical company that deliberately falsified price reports to the Texas Medicaid program for its products [was successfully prosecuted and settled in court]. Under terms of the agreement, Dey, Inc. will pay a total of \$18,500,000, with more than \$9 million going to the State. The remaining portion of the settlement will go to the federal government, which jointly funds the Texas Medicaid program and has reached its own settlement with the company.

Dey, a subsidiary of German pharmaceutical giant Merck KGaA, manufactures and markets inhalant products that are generally prescribed for persons suffering from respiratory illnesses. Under Texas law, drug manufacturers are required to report the prices at which they sell their products to wholesalers and distributors. The Texas Medicaid program then uses this pricing information as a basis for calculating provider cost and reimburses Medicaid providers accordingly. The attorney general's Civil Medicaid Fraud Section found that Dey deliberately falsified its pricing reports for the benefit of its customers, which directly led to overpayments by the Texas Medicaid program. (Attorney General of Texas, Greg Abbott, "Attorney General Recovers \$18.5 Million in Medicaid Fraud Case," www.oag.state.tx.us/oagnews/release.php?id=68)

This case is an example of another compliance guidance publication (see "OIG Compliance Program Guidance for Pharmaceutical Manufactures," *Federal Register*, Vol. 68, No. 86, May 5, 2003, retrieved from <http://oig.hhs.gov/authorities/docs/03/050503FRCPGPharmac.pdf>). The OIG notes that the components of an effective compliance program for pharmaceutical manufactures should include several goals. First, manufacturers should ensure that they fulfill their legal duty to avoid submitting false or inaccurate pricing or rebate information to any federal healthcare program or engaging in illegal marketing activities. Second, they need to increase the likelihood of preventing, or at



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least identifying and correcting, unlawful and unethical behavior at an early stage. Finally, they need to minimize any financial loss to the government and any corresponding financial loss to the company.

The emerging issues within the pharmaceutical manufacture industry were noted in several areas. First, given the wide diversity within the pharmaceutical industry, there is no single "best" pharmaceutical manufacturer compliance program. Second, the pharmaceutical manufacturers are already subject to extensive regulatory requirements in addition to fraud and abuse-related issues. However, it is expected that many pharmaceutical manufacturers have addressed their obligations through compliance programs. Again, this is another example of market response to identified problems within the healthcare market. These compliance requirements should feed the market industry response as a data element for future audits.

The next data analysis series will focus on developing a recovery data analysis model.

Rebecca S. Busch, RN, MBA, CCM, CFE, FHFMA is President and CEO of Medical Business Associates, Inc www.mbanews.com and author of Healthcare Fraud Audit and Detection Guidebook and Electronic Health Records An Audit and Internal Control Guide. She may be reached at 630.789.9000 or bbusch@mbanews.com.

Fraud Education

By Peg Berezewski, MA, MS, CFE, CPA

Unlike the vast majority of our fellow citizens, those of us in academia who teach accounting, auditing, fraud, business ethics, economics and finance can look back at 2008 with a mixture of wonder and glee. To be sure, our savings have been trashed and we feel the anxiety and pain of those who fear for their financial futures. Nevertheless, what can we say besides, "WooHoo!"?

What business educator could have asked for a more colorful year of financial shenanigans? Never since the Great Depression has there been such goings-on: the housing market with fraudulent lending; the collapse of major financial institutions; the stock market decline; the Big Three automakers begging for crumbs; our governor's little adventures; and of course, the piece de resistance—Bernie Madoff.

In business education we are in hog heaven. It is as if the good curriculum fairy has flown by with enough materials to dazzle students until the end of the decade.

However, these high profile, devastating events have taken our attention away from our original underlying problem: a deterioration of ethics and the rise of greed that is part of the everyday fabric of our lives. We are becoming oblivious — even inured— to the shady conduct in our culture. While the big headlines went to the big scandals, this is a sample of what was happening in the Chicagoland area in 2008.

- Between August 2007 and January 2008, three Chicago Public School employees ran a payroll scam in exchange for kickbacks from seven school employees, including two teachers. Two of the suspects concocted a scheme at district headquarters to issue bogus checks ranging from \$4,000 to \$56,000 in return for thousands of dollars in kickbacks. (Sadovi, 2008)
- An Oak Park man was convicted of charges that he defrauded investors out of approximately 2.9 million dollars. Among his victims was a pastor and a church. Mr. Phillips chose not to appear in court. He still held the belief that his soul could



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not be judged by this court at this time. (Oak Park Newspaper, 2008)

- A convicted felon formed his own company — Contractor's Lien Services— in late 2007. The purpose of the company was to help Chicago area contractors collect unpaid debts by filing liens on homeowners' property. In 2008 the company filed over 25 liens, and in every case the lien was grossly inflated over the value of the lien. Additional costs and fees were added to the lien which were not legitimate. (Walberg, 2008)
- An Aurora woman stands charged with soliciting vendors for baby products and cashing their checks for an trade show that wasn't going to happen. The woman had solicited "Baby Fest" through her web site and collected between \$400 and \$900 each from vendors for the non-existent trade show. (Thayer, 2008)
- From June through August a Grayslake used car dealer defrauded financial institutions and at least 10 automobile buyers. The automobile buyers are now making payments on cars they don't actually own. (Susnjara, 2008)
- A woman from the Rock Island County town of Silvis was indicted for allegedly stealing nearly \$500,000 from a Moline bank where she worked. The woman has been charged with the theft of \$481,000 in one count of embezzlement and 33 counts of falsifying bank records with intent to defraud. (Associated Press, 2008)
- A former high-ranking partner at Holland & Knight's Chicago office faces sanctions that include disbarment after he was charged with inflating his legal bills. A junior lawyer at the firm blew the whistle on him. (Sachdev, 2008)
- Seven employees of a Crestwood Wal-Mart used stolen credit card numbers to purchase more than \$140,000 worth of merchandise and gift cards. They allegedly stole credit card numbers from financial institutions including Fifth Third bank and the Illinois State Police Credit Union. (Nolan, 2008)
- Two suburban men who billed themselves as foreign currency traders have been charged with

swindling customers out of \$15 million to pay for a lifestyle that included strip clubs, jewelry and private jets. Credit card records show that more than \$1 million was spent at a strip club and restaurants, nearly \$1 million at hotels and \$1 million renting private jets. There was also a fleet of luxury vehicles, donations of hundreds of thousands to celebrity charity events, and hired body guards. Seized at one of their homes was antique furniture, oriental rugs, a piano, assorted high-end appliances and electronics. The two men also invested \$569,000 in an unreleased movie, "Order of Redemption." (Robinson, 2009)

These frauds are only the tip of the iceberg. Of course, they don't compare in scale to Madoff, for example, but they are certainly indicative of the culture of greed that surrounds us every day. The more we learn about these types of crimes and the people who commit them, the more we discover that we are looking into a bottomless pit. The current financial crisis will only make this worse.

Is there a solution? Is all of our work in fraud prevention in vain? I don't think so. If you analyze the above local frauds, the common denominator is an uneducated public. (I know, even the most sophisticated investors were taken in by Madoff. Given his stature on Wall Street, however, this is almost understandable.) Look at the frauds itemized above. All of them could have been prevented with a little attention to detail. Instead of being wary and skeptical, the public appears to more trusting and gullible.

Because transactions like investing, contracts, internet deals, financial transactions, etc. are more and more complex, the average individual becomes an easy target. People rely on trust or word of mouth recommendations instead of knowledge. We are told to be cautious and seek professional advice. And yet, the scams continue.

Education, whether in formal educational institutions, workshops, or community settings is the key. I would also propose that all curricula, from the liberal arts to the physical sciences, contain fraud education. Why limit this important field of study to business majors only? As fraud prevention professionals, we need to make this need for fraud education known to our local colleges and our state boards. Educating the public,

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educating our young people, may finally make a dent in the culture of deceit and greed.

As for our new year of 2009...here's a parting story. A former church official in Marion, Indiana, has been charged with stealing more than \$276,000 from church accounts and using some of the money to pay for a vasectomy, motorcycles and cars. The suspect used electronic transfers from the church and its school accounts. The Lakeview Christian School board has asked the church members to increase their contributions to make up for the loss. (Associated Press, 2009)

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About the author.

Peg Berezewski, MA, MS, CFE, CPA is an associate professor at Morris Graduate School of Management and Accounting Curriculum Chair at Robert Morris College. Peg is currently a board member of the Greater Chicago Association of Certified Fraud Examiners. Thanks to the students in ACC 520 for the research done for this article.

Insurance Fraud During Times of Economic Downturn

By Nitin Bhojraj

As you are reading this article, there is a man somewhere in the world who is about to make a big mistake. Perhaps he opened up a restaurant, or a sporting goods store. After spending countless hours working, and investing his entire life savings, he realized that due to the dismal sales this last holiday season, he will not be able to keep the business open any longer. Feeling as though he has no other choice, tonight he will set the business on fire, hide the evidence, and file an insurance claim.

While you know this is wrong, and I know this is wrong, there are many others out there who do not feel that way. In fact, according to a study performed by Accenture, 24% of Americans feel that it is acceptable to overstate claim values to insurance companies. The same study concluded that 11% believe that it is acceptable to submit claims to insurance companies for items that are not actually lost or damaged, or for personal injuries or treatments that they have actually not experienced¹. This survey was performed in 2003, well before the current economic decline, and therefore well before the current climate of daily press releases about massive layoffs and record losses. With every news report explaining how bad our overall situation is getting, all of us within the ACFE have to wonder, how is this going to affect the world of insurance fraud?

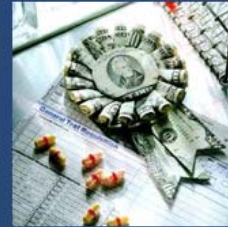
If recent history demonstrates anything, it is that fraud, or at least fraud convictions rise during recessions. According to data from the National White Collar Crime Center (published by Business Week Magazine), two recent recessions showed spikes in arrests for fraud and embezzlement. First, white-collar fraud arrests rose by 52% in the two years following 1990. Ten years later, arrests grew by 25% after the massive failure of Internet and technology startups². Thus, bad economic times can lead to more attempts of fraud.

One person who may agree with these findings is Bill Bradshaw, CPA, CVA, CFE, Chief Operating Officer and Managing Partner for the Midwest Regional Office of the forensic accounting firm Matson, Driscoll, and Damico. Bradshaw believes that many cases of

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insurance fraud “tend to be cyclical with the economy. When people are under financial distress, they tend to make rash decisions to attempt things like [insurance fraud].”

Yet this current economic downturn might have more facets than the other recent ones. While it may be too early to tell, some economists believe that we may even enter a downturn that rivals the Great Depression. Last fall, George Soros even testified in front of Congress that “the possibility of a depression cannot be ruled out.”³

Perhaps our economy is heading into a depression. According to Bradshaw, “The rapidity with which the economy has gone downhill is unprecedented. You will typically have an economic downturn, but it will not be so rapid, and I think we have yet to see the results.” If this does turn into a depression, there is no telling how much of a rise we will see in insurance fraud perpetrated by individuals.

Yet, it is not just individuals looking for personal cash who are committing insurance fraud. In many cases, insurance fraud, or at least inflated insurance claims, may be committed by company managers and officers. Perhaps their motivation is to fool investors into thinking that things are going just fine, or perhaps their motivation is to delay the inevitable. Just as likely though, their motivation may be to inflate numbers by any means necessary.

This is certainly a factor according to Anne Rasho, CFE, Director in the Dispute Advisory & Forensic Services Group at Stout Risius Ross, Inc. Rasho’s multi-faceted experience (which includes working with sectors like insurance companies, government, utilities and in processes that range from fraud investigation to intellectual property infringement) gives her a unique perspective on this issue. Regarding business agents perpetrating fraud, Rasho states that “whenever times are tough, and people are trying to meet their budgets and forecasted numbers...while also having those multiple [economic] factors working against them, they get their motive...They are under the gun and are trying to hit their numbers.”

Rasho states that while rises in fraud coincide with economic downturns, “you can also make the argument that they are correlated with economic upturn. When

things are good, people get very aggressive with their numbers. That aggressiveness is hard to maintain-with the actual results. This then gives people incentive to fudge their numbers.”

In either case, insurance firms and other businesses need to do everything that they can to prevent insurance fraud whenever possible. After all, it does not just hurt the insurance companies. As Bradshaw states, for companies (insurance and other) to avoid having insurance fraud perpetrated against them, they should have “strong internal controls, scrutinization, and the right professionals working for them, which include CFEs.”

Nitin Bhojraj is currently pursuing his Masters in Accountancy at the Loyola University Graduate School of Business. Questions and comments can be sent to nitin1217@gmail.com.

(Endnotes)

¹ www.insurancefraud.org/accentureStudy03.htm

² www.businessweek.com/bwdaily/dnflash/content/jan2009/db2009018_753877.htm

³ www.247wallst.com/2008/11/soros-depressio.html



Face-to-Face News about the ACFE-Greater Chicago Chapter Programs, Events and People

By Dave Marshall, MBA, CISA, CFE, CFS

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Here are the members of your Chicago Chapter Board of Directors. We are here to serve you. Feel free to contact us with any questions, concerns or advice.

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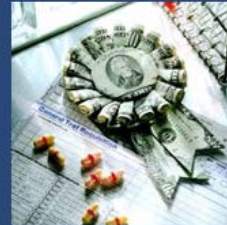
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Holiday Luncheon

We had a large turnout at our annual Holiday Luncheon this past December 9th with attendance by 80 of our members, colleagues and friends. Maggiano's did a great job with an abundance of appetizers, salads, grilled salmon, pasta, chicken and tiramisu!

Our distinguished guest speaker was Lawrence Oliver II, Chief Counsel and Head of Investigations at The Boeing Company. Mr. Oliver, an ordained minister, discussed the importance of "reputation", and challenged us to look at ourselves, our image, actions and behavior, and to think about the reputation we portray. He concluded with the thought-provoking comment: "In the end, all we have left is our reputation. Our reputation is our legacy. How do you want to be remembered?"





2009 Meetings Program

We are assembling the 2009 Program and are finalizing the guest speakers. Topics include "Financial Institution Fraud", "Computer Forensics", "Identity Theft", "Insurance Recovery for Fraud", "Monitoring Financial Transactions for Fraud", "Payment Card Fraud" and others. The ACFE National Office will also hold several training classes in Chicago on "The Legal Elements of Fraud Examinations", "Professional Interviewing Skills", and "The CFE Exam Review Course". The schedule is listed below and is on the Chapter web site at www.acfechicago.org. The schedule and speakers are subject to change. We will send out e-mails with the latest Program information.

And don't miss the "20th Annual ACFE Fraud Conference & Exhibition" at the Bellagio in Las Vegas on July 12-19th.

Guest Speaking

Do you need a guest speaker for your company or organization? There are a number of us on the ACFE-Chicago Board of Directors as well as members who will present a variety of topics on fraud and the ACFE for no charge. Contact me for details.

Do you want to be a guest speaker? Do you have an interesting story or case that you would like to share with your colleagues? Help us spread the word about preventing and detecting fraud. Contact me for details.

Membership Drive

We encourage you to join or renew your membership in both the ACFE and the ACFE-Chicago Chapter. This can be done through the web sites of www.acfe.com and www.acfechicago.org or by contacting the Chicago Board of Directors. Help support our mission of fighting fraud!

Member News

We are starting this section to communicate news and events about our Chapter members—awards, special recognition, speaking engagements, articles published, etc. Contact me or our Chapter Newsletter Director Rebecca Busch to get this information in our next issue.

The Membership Chair position is currently open. This position is charged with maintaining and increasing our chapter membership.

2009 Program Schedule

Programs are subject to change.

March 4 – 6, 2009

ACFE National Training in Chicago: "The Legal Elements of Fraud Examinations" and "Professional Interviewing Skills"

March 13, 2009 Friday

ACFE Chicago Chapter Meeting: "Financial Institution Fraud"

April 17, 2009 Friday

ACFE Chicago Chapter Meeting: "Insurance Recovery for Corporate Fraud"

May 15, 2009 Friday

ACFE Chicago Chapter Meeting: "Computer Forensics"

July 12 – 19, 2009

20th Annual ACFE Fraud Conference & Exhibition: Bellagio Hotel, Las Vegas

July 24, 2009 Friday

ACFE Chicago Chapter Meeting: Social Event: "Monitoring Financial Transactions for Fraud"

August 24 27, 2009

ACFE National Training in Chicago: "CFE Exam Review Course"

September 4, 2009 Friday

ACFE Chicago Chapter Meeting: "Payment Card Industry Compliance, Fraud and Security"

October 15, 2009 Friday

ACFE Chicago Chapter Meeting: "Identity Theft"

December 8, 2009 Tuesday

Holiday Lunch at Maggiano's Banquets Restaurant, 111 West Grand Ave, Chicago: Topic TBD

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