



17th Fraud Conference
Thursday, June 7, 2018
raw.rutgers.edu/17fraud.html

The New Jersey Chapter of Association of Certified Fraud Examiners (ACFE) and the Northern New Jersey Chapter of the Association of Government Accountants (NNJ AGA) are co-sponsoring a Fraud Conference with the Rutgers Business School. This event offers a unique forum to discuss emerging issues in the area of Fraud with experts and an outstanding opportunity to earn reasonable CPE credits in today's economic times. The event will be held on June 7, 2018 at the Rutgers Business School located at One Washington Park, Room 205, New Jersey, 07102, from 8:00 am to 4:30 pm. Parking is available at numerous lots at the individual's expense.

Conference attendees will receive an estimated eight (8) CPE credits in Auditing. Attendees must sign in and sign out. Late arrivals and early departures may result in a reduced credit award.

NASBA Sponsor Identification #116231

The cost for the event is as follows:

\$150 for ACFE /ISACA/AGA members with a minimum of 48 hours advanced reservation.

\$175 for ACFE/ISACA/AGA members with no prior reservation.

\$175 for non-ACFE/ISACA/AGA members with a minimum of 48 hours advanced reservation.

\$200 for non-ACFE/ISACA/AGA members with no prior reservation.

All checks will be collected at the door and should be made payable to "Rutgers-The State University". No credit cards will be accepted. To make a reservation, email the attached registration form to Professor Karl Dahlberg, Rutgers Business School, Department of Accounting & Information Systems at Dahlberg@aol.com

Intended Audience: CPAs, Fraud Examiners, and professionals with an interest in ethics, fraud and computer systems

Program Description: Professionally-qualified speakers will present various fraud topics of current interest.

Learning Objectives: To provide updated information in the following areas:

- "Scope Creep" in Consulting and Contracting Projects
- Blockchain and Cryptocurrency
- Fraud in Construction Projects
- Threat Finance Team

Delivery Method: Group live

Program Level: Update

Prerequisites: None

Advance Preparation: None

Refund Policy: 100% refund if cancelled at least 48 hours prior to the event

Complaint Resolution: Complaints will be resolved by the Rutgers Accounting Research Center

Rutgers Business School is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through this website: www.NASBAregistry.org.

Scheduled Speakers and Topics



Warren A. Hersh, CPA, CIA, CISA, CFE, CCSA Former Auditor General - NJ TRANSIT

Consultants/Contractors: Maximizing Value/Minimizing Costs

Mr. Hersh was the Auditor General for New Jersey Transit, the third largest transit agency in the nation and the largest NJ statewide agency. In this capacity, he has implemented state-of-the-art audit tools and techniques that proactively focus on process efficiency and effectiveness and decrease the emphasis on compliance activities. Mr. Hersh also served as the interim CFO during 2016. Prior to joining NJT, Mr. Hersh held Internal Audit Director positions at Jefferson Wells (now Experis) and BDO Seidman where he was responsible for developing and delivering client services in many areas, including: internal audit co-sourcing, internal audit department development and improvement, quality assessment review, corporate governance, enterprise risk management, business control implementation and education, business process improvement, and Sarbanes-Oxley implementation. Mr. Hersh has a BS degree in accounting from St. John's University, an MBA from Adelphi University, and a Masters' Certificate in Project Management from Steven's Institute of Technology. He is a frequent speaker at many industry conferences on many topics. He previously served on the Institute of Internal Auditors International Internal Audit Standards Board for 11 years and served as the Vice Chairman for the last year. He is currently a member of the Institute of Internal Auditors International Public Sector Guidance Committee. In addition, Mr. Hersh is currently the President of the Philadelphia Chapter of the Institute of Internal Auditors.

Consultants and contractors play a major role in today's business environment and on the "bottom line." And, as we know, they don't work cheap. Every company has been subjected to projects and outsourced operations that have escalated to multiples of the original cost estimate due to "creeping scope" and have delivered a fraction of the results anticipated. We also know that these arrangements are notorious for trying to create a "partnership" without taking on the appropriate risk and not taking responsibility for their work product. In this session Mr. Hersh will provide practical tips, techniques, and strategies to achieve maximum payback from consulting and contracting projects and making "scope creep" a thing of the past. In addition, Mr. Hersh will identify effective strategies that you can utilize to minimize fraud, waste, and abuse.

The session agenda:

- Key business controls necessary to effectively manage contracts
- How IA involvement in the contracting process complements the audit process
- How IA can develop a partnership with the Purchasing organization to ensure controls are built into contracts
- Strategies for making consultants and contractors responsible and accountable for their work product
- Developing a risk assessment and what you need to consider
- Developing the audit strategy, approach, and audit program
- Identifying, assessing and addressing fraud "red flags"



**Sean Stein Smith, DBA, CPA, Assistant Professor,
Department of Economics and Business, Lehman
College, City University of New York**

Blockchain and Cryptocurrency

Sean Stein Smith is an assistant professor at Lehman College (CUNY), and international public speaker with expertise in the areas of financial reporting and strategic management accounting. He is also a recognized expert in the emerging field of blockchain technology on the accounting profession and has been interviewed and quoted in a wide of print and live media venues on these topics, and the influence of them on the accounting profession.

He is the author of 5 books on financial reporting, as well as numerous scholarly and practitioner articles focusing on accounting, technology, and strategy. He is a member of the 2017 AICPA Leadership Academy and was named a 40 under 40 in the accounting profession by CPA Practice Advisor. A member of the AICPA Commission on Financial Literacy, NJCPA Content Advisory Board, and NJCPA Emerging Leaders Council, Sean has published dozens of articles on technology, finance, and personal finance issues.

Sean has published books on corporate finance, several personal finance books, and is an avid user of technology and social media for educational purposes. He holds a Doctorate in Business Administration from Capella University, and an MBA, MS, and BS from Fairleigh Dickinson University (Metropolitan Campus). Sean holds the CPA license, the CMA certification, the CGMA certification, and is a Certified Fraud Examiner (CFE).

Sean will discuss:

1. How blockchain, and the cryptocurrency applications that run on blockchain technology can, and already are, changing the broader accounting profession
2. What the differences are between different types of blockchains (public versus private), and the cryptocurrency applications that run on them
3. Implications for blockchain to help CPAs, CFEs, and auditors uncover and prevent fraud and other unethical activity
4. How cryptocurrencies can complicate the uncovering and prevention of fraudulent activity and unethical activity due to the anonymity embedded in the technology platform
5. How CPAs and CFEs can leverage blockchain to elevate both the work currently provided to clients, and the services that can, and should be provided moving forward
6. Steps that professionals can take, starting today, to get familiar with blockchain technology, and do so in a budget friendly manner



Thomas R. Palczewski, CIA, CFE Director Internal Audit, NJ Transit

Fraud – Construction Projects:

Tom graduated from St. Peter's College with a Bachelor of Science degree in Accounting. He also obtained a graduate degree in Business Training and Development from Trenton State College. Tom has presented as a voluntary instructor for the Institute of Internal Auditors and has worked as an adjunct professor at Seton Hall University - Skillman School of Business, Graduate Program. Prior to working at NJ Transit, Tom worked within the utility, pharmaceutical and retail industries where he performed/managed international and domestic audits of construction projects, government and third-party contracts, fraud allegations, financial cycles and of course operational audits.

This presentation will demonstrate an audit approach designed to identify construction fraud, project cost recoveries, and also provide insight to the mindset and necessary skills an auditor must have in order to successfully perform a construction audit. Emphasis will be placed on addressing risk within the business environment, adding value to the organization, and best practices illustrated within a construction project.

Special Agent Kevin G. Rietema, FBI National Security Branch Threat Finance Coordinator Team Leader

Detective Craig Mott, New Jersey State Police

The Threat Finance Team provides investigative, operational and analytical support to both law enforcement and private/financial sectors as well as providing training in indicators, investigative methods and analysis related to cross-programmatic threats including terrorism, espionage, proliferation financing, money laundering and cyber/crypto currencies. The team has representation from the New Jersey State Police, Office of Homeland Security, New Jersey Division of Taxation, IRS and ICE.

Program Developer



Karl Dahlberg has retired from Rutgers and from the Department of Defense. He has been involved in numerous contract fraud investigations, the most significant recovered \$69 million. He has instructed online and on-site accounting information system courses at graduate and undergraduate level. While in the Department of Defense, he was responsible for all Information Technology Audits at the Northern New Jersey Branch Office of the Defense Contract Audit Agency (DCAA), Picatinny, New Jersey. In that capacity, he supervised the performance of all information system reviews of Defense Contractors in Northern New Jersey. Responsibilities included Enterprise Resource Planning, Automated Labor Entry and information system control reviews and Year 2000 Compliance reviews. He served in the Marine Corps as a Rifle Platoon Leader in Vietnam where he received a Purple Heart for combat wounds. He is a Past President of the New Jersey Chapter Information Systems Audit and Control Association; Past President, Northern New Jersey Chapter, Association of Government Accountants; Past President, New Jersey Chapter, Association of Certified Fraud Examiners; American Institute of Certified Public Accountants CPA Exam Grader; and Past Commander, American Veterans, Department of New Jersey. He has been awarded the Association of Government Accounts Educator Award for 2016.

Program Reviewer



Professor Miklos A. Vasarhelyi is the KPMG Distinguished Professor of Accounting Information Systems and serves as Director of the Rutgers Accounting Research Center (RARC) & Continuous Auditing and Reporting Lab (CAR Lab). He is credited with developing the original continuous audit application and is the leading researcher in this field. At Rutgers Business School, Professor Vasarhelyi heads the Continuous Auditing and Reporting Laboratory, which is working on projects for such leading companies as Siemens, KPMG, Proctor & Gamble, D&B, AICPA, CA Technologies, Workiva, Morgan Stanley, and Brazil's Itau-Unibanco. Vasrhelyi, who received his Ph. D. in Management Information Systems from UCLA, has published more than 200 journal articles, 20 books, and directed over 40 Ph. D. theses. He is the editor of the Artificial Intelligence in Accounting and Auditing series and the Journal of Emerging Technologies in Accounting (JETA). He has been named the Outstanding Accounting Educator by the AAA in 2013. The professor also has taught executive programs on AIS, audit automation, continuous audit, and electronic commerce to many large

international organizations.