

**WINNING
LAW ENFORCEMENT
OVER TO YOUR
SIDE**

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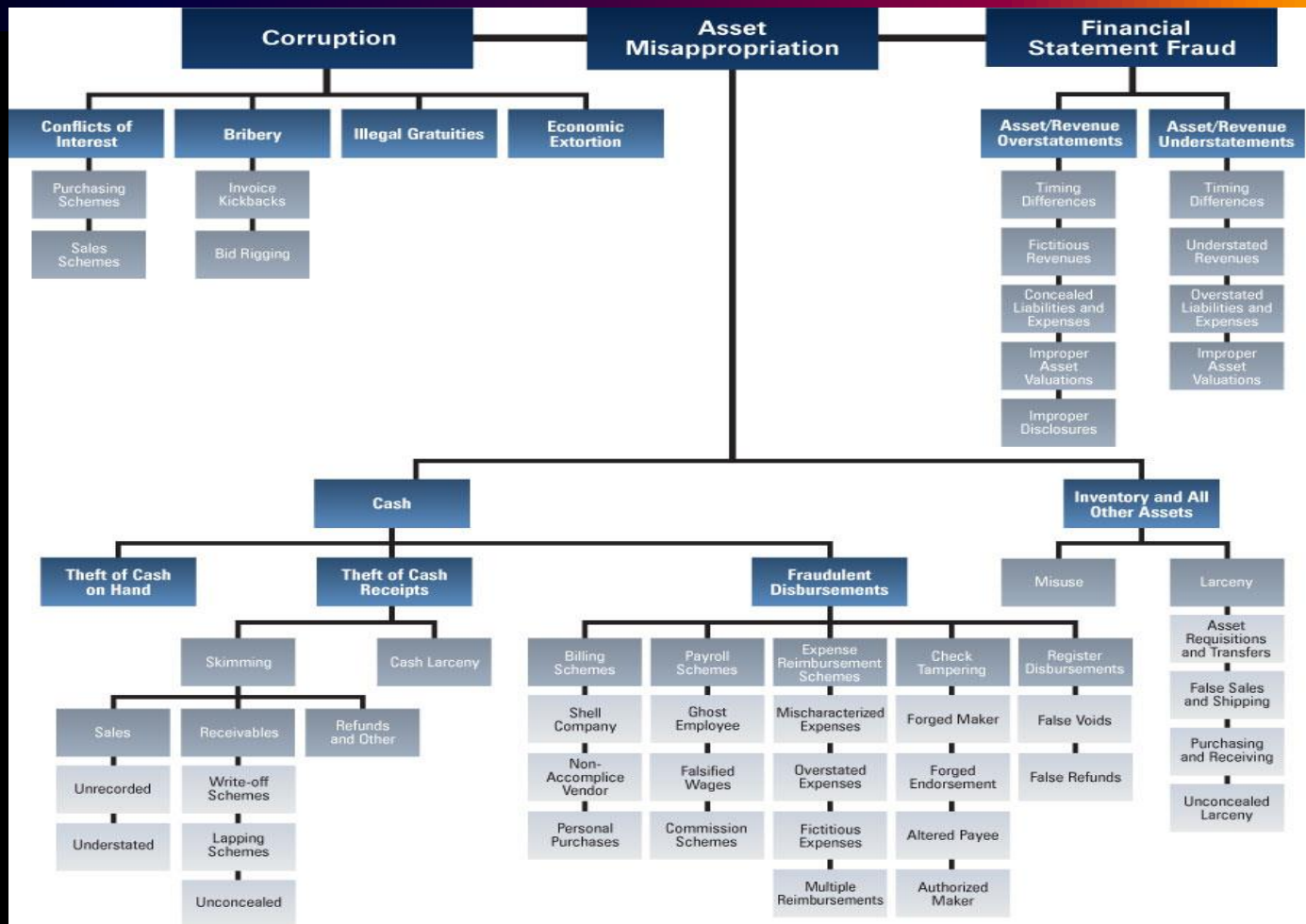
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THE PURPOSE

- **IDENTIFY THE PERPETRATOR**
- **RECOVERY**
- **BRING TO JUSTICE BY WORKING EFFECTIVELY WITH LAW ENFORCEMENT**
- **DISCOVER WEAKNESSES IN OR LACK OF CONTROLS**

THIS IS WHAT WE ARE UP AGAINST



BREAKDOWN

- ***Asset misappropriation*** schemes, in which an employee steals or misuses the organization's resources (e.g., theft of company cash, false billing schemes or inflated expense reports)
- ***Corruption*** schemes, in which an employee misuses his or her influence in a business transaction in a way that violates his or her duty to the employer in order to gain a direct or indirect benefit (e.g., schemes involving bribery or conflicts of interest)
- ***Financial statement fraud*** schemes, in which an employee intentionally causes a misstatement or omission of material information in the organization's financial reports (e.g., recording fictitious revenues, understating reported expenses or artificially inflating reported assets)

THE WHO



ANYONE

CAN COMMIT

FRAUD

THE GOOD AND THE BAD

- **Part of your task is to find out WHO committed the fraud**

REMEMBER:

- **When it comes to crime, a person is either GOOD or he is BAD**
- **THERE IS NO INBETWEEN**
- **And there is no shortage of bad guys**

WORDS DESCRIBING THE BAD



**Shady, shifty, slippery, sly, sneaking, stealthy
crafty, cunning, devious, foxy, slick, secretive,
clandestine, covert, dark, deceptive, devious,
tricky, underhanded, cheating, crooked,
defrauding, dishonest, two-faced, lying,
untrustworthy, untruthful, treacherous and
DANGEROUS.**

DANGER



DANGEROUS to the financial well-being of the company and to the safety and welfare of individuals.

Anticipate - Adapt - Adjust

- We all become comfortable in our ways. It's our comfort zone and we don't want to change. It's only human nature.
- Since the beginning of time, man has been struggling with the issue of crime. I have accepted that crime is not going to go away. Every day is a challenge and offered up something new.
- Even when good controls are implemented, the criminal is finding a work around. He is always anticipating, adapting and adjusting. *AND SO SHOULD YOU.*

Anticipate - Adapt - Adjust



- Anticipate - Look beyond
- Adapt – Mental attitude. It's about accepting a situation. What you are doing is getting real and wrapping your head around it. You're accepting a new reality.
- Adjust After accepting new reality, you're ready to map out a strategy to deal with. It's about formulating a plan and implementing it.

WINNING LAW ENFORCEMENT OVER TO YOUR SIDE

There is nothing more frustrating than taking a case, that you have diligently prepared, to law enforcement and finding out that they will not take your case.

SO WHY IS THIS HAPPENING?

THE ANSWERS



- **It is because your case was not thoroughly prepared or**
- **It is because law enforcement doesn't understand what makes up a fraud case or**
- **It is because law enforcement doesn't have the manpower and or budget to devote to fraud cases or**

THE ANSWERS



- **It is because law enforcement is too busy with handling violent crimes or**
- **It is because the case doesn't meet the minimum threshold for prosecution.**

TO SUCCEED



MUST HAVE:

- **Good working relationship with law enforcement**
- **A thoroughly prepared case.** (must be written and presented so that inexperienced law enforcement personnel, grand jurors and trial and or civil jurors can understand)

ESTABLISHING A WORKING RELATIONSHIP

- **You will not get through the front door of law enforcement unless you have a good rapport and a thoroughly prepared case.**
- **Before you work with law enforcement, you have to understand them completely.**

UNDERSTANDING

- **They are human beings with feeling and emotions**
- **They are a proud group of professionals doing a thankless job.**
- **They have spouses and children.**
- **They are well educated.**

UNDERSTANDING

- **They all don't eat DONUTS.**
- **They just don't concentrate on violent criminals.**
- **They are willing to learn new things.**
- **Just like you, they go home at the end of the day to their families.**

FIRST STEP



**ESTABLISHING A GOOD
WORKING
RELATIONSHIP WITH
LAW ENFORCEMENT**

GETTING YOUR FOOT IN THE DOOR

- **Call and introduce yourself to the person in charge of investigations. Never go to the department head like the Chief, DA, Sheriff, or Special Agent in Charge.**
- **Set up a personal meeting to discuss the types of cases you might have for them.**
- **Take them to lunch.**

GETTING YOUR FOOT IN THE DOOR



- **Volunteer to make presentations on fraud.**
- **Share the resources of the ACFE like the Fraud Magazine and The Report to the Nation.**
- **Invite them to your place of business and show them around.**
- **Have your company do something nice for them.**

WORKING WITH THEM

- **Present your thoroughly prepared case to them in person.**
- **Be patient and explain the case in terms that anyone can understand.**
- **Guide them in the right direction if they start to stray.**
- **Down the road, always be available to answer their questions.**

THE DON'Ts

- **Don't ever try to put yourself in their shoes (unless you have been there)**
- **Don't ever appear to know more than them. (make a suggestion like What do you think about this?)**
- **Don't point out their deficiencies.**
- **Don't think that they can't do the job.**

NEVER TAKE “NO” FOR AN ANSWER



If you can't get a law enforcement agency to take your case, don't get discouraged. Appeal to another law enforcement agency.

NEVER TAKE “NO” FOR AN ANSWER

- **Local Police Dept.**
- **City Police Dept.**
- **County Police/Sheriff**
- **Parish Police/Sheriff**
- **County/Parish DA**
- **County Prosecutor**
- **Parish Prosecutor**
- **State Police Dept.**
- **FBI**
- **Secret Service**
- **Postal Inspectors**
- **IRS**
- **DEA**
- **SEC**
- **State / US AG Office**

SECOND STEP



PREPARING

A

THOROUGH CASE

DOING IT RIGHT



It takes more than establishing a good working relationship with law enforcement in order to get your case accepted. It takes a complete investigation and well written report to make the sale. I can't over emphasize the importance of doing a complete and thorough investigation. Without one, your case doesn't stand a chance with law enforcement.



INVESTIGATION

PRIMER

NEVER FORGET



- **Assume Nothing** - taking for granted or true
- **Use Common Sense** - ability to make responsible decisions
- **Be Impartial**
- **Initially, everyone is a possible suspect**
- **Don't believe everything that you are told**

NEVER FORGET



- **Anyone can be the perpetrator, no matter what their walk of life**

**Don't leave any stone
unturned**

WORKING DEFINITION



- **An investigation is a planned and organized determination of facts concerning specific events, occurrences, or conditions for a particular purpose.**

QUALITIES OF AN INVESTIGATION



- **There are five qualities to an effective investigation. The investigation must be objective, timely, thorough, relevant and accurate.**

OBJECTIVE



- **The investigator must be willing to accept any fact uncovered in the investigation even if it does not agree with his personal opinions.**

TIMELY



- **The investigation must be conducted as soon as reasonably possible. Physical evidence can get destroyed, moved or taken from the scene. Witnesses have a tendency to forget or mix up information as time goes by. A criminal has the time to cover his tracks or to flee.**

THOROUGH



- **The investigator must check out each lead or bit of information no matter how small it seems. He must also double-check them to ensure that they remain consistent.**

RELEVANT



- **The investigator must use only that information uncovered in the investigation that pertains to the subject of the investigation. Use only that evidence which tends to prove or disprove the matters under investigation.**

ACCURATE



- **The investigator must produce evidence that is free from mistakes and conforms to the truth. Again, the investigator must double-check all information.**

STAGES OF INVESTIGATION




- **PRELIMINARY**
- **FOLLOW-UP**
- **CONCLUSION**
- **SUBMISSION OF WRITTEN REPORT**



PRELIMINARY

INVESTIGATION




The first step is for the investigator to establish that the crime or violation of policy under investigation did in fact occur. Next, the investigator proceeds to find out the exact manner in which the incident was carried out. This may reveal a motive and possible suspects. The investigator must not leave any stone unturned because the information that would break the case might be uncovered. Ask Investigative Questions.


INVESTIGATIVE QUESTIONS




- **WHO?**
- **WHAT?**
- **WHERE?**
- **WHEN?**
- **HOW?**
- **WHY?**



The next step is to locate any physical evidence that is at the scene. Obtain all documentation pertinent to the case. In cases of serious criminal violation, the crime scene must be protected until the police forensic unit arrives. Keep people away from the scene and do not touch or disturb anything. If documents were used in the crime or incident, do not touch. Preserve for fingerprints. Ensure to also preserve all computers and data involved.



Detailed observations should be made, noting especially anything unusual. Carefully note what would be expected to be found at the scene if conditions were normal. Observation without investigation and deduction is of little or no value.




Interview the victim as well as locating all witnesses, possible witnesses and suspects for subsequent interviewing.



*Analyze the gathered
information.*



***FOLLOW-UP
INVESTIGATION***




Continue to follow-up on information and continue to seek additional information. Interview and obtain statements from all the witnesses. He must canvas the area to locate other witnesses who did not step forward during the preliminary investigation. The investigator must also determine who would have a motive to commit the crime and who would benefit from the crime, as well as obtaining the results from the examination of the physical evidence that was found at the scene.


THE INTERVIEW



The purpose of the interview is to learn what a person has observed through his five sense (sight, smell, hearing, taste, and touch). The person being interviewed is presumed to have certain knowledge that may have a bearing on the case in question. If the interviewee does not possess knowledge of an incident, the interview should establish that fact.



The investigator should conduct the interview as soon as possible. People have a tendency to forget or mix up information. Expediency is paramount. The investigator must also keep in mind that before the interview, he must carefully and thoroughly plan his interview and must know all aspects of the case. One cannot effectively interview when he does not know all the facts.




At all times, the investigator must maintain absolute control of the interview. The first step is that the investigator must help the interviewee feel at ease. This can be accomplished by showing interest in the interviewee's specific job function or by engaging in small talk of some kind. Next, the investigator should have a positive attitude and project a friendly and businesslike demeanor so that there is no doubt in the interviewee's mind about who is in control of the interview.

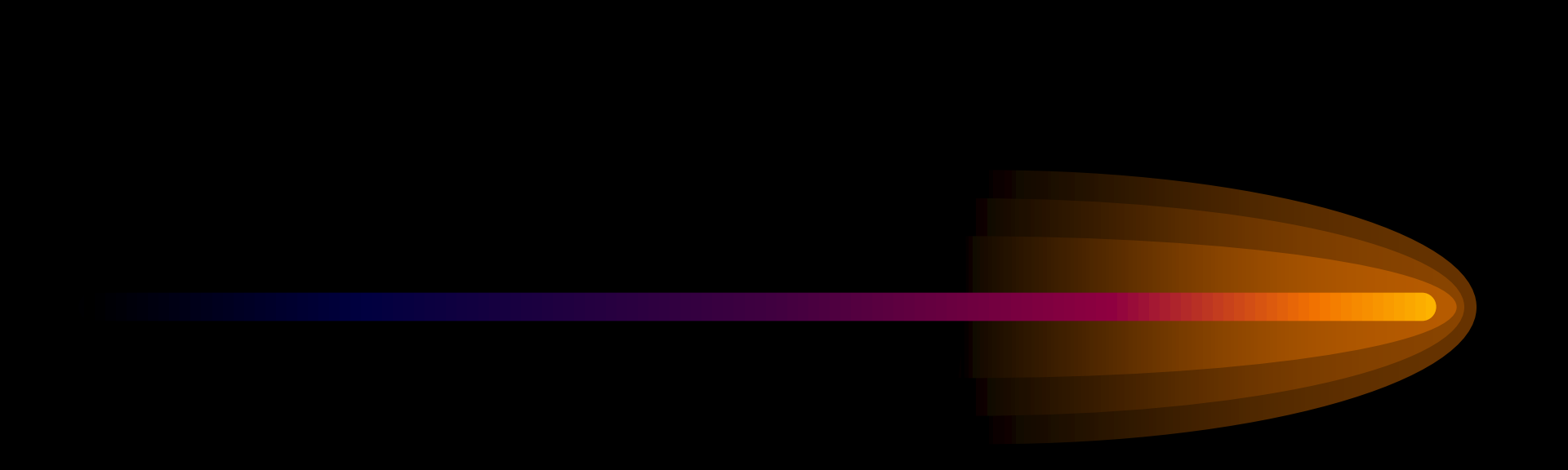
WRITTEN STATEMENTS



A formal written statement should be taken when the interviewee has real, incriminating evidence to offer or denies any involvement.



A formal statement or confession should be taken when a suspect admits wrong doing. Once should also take a formal statement from the suspect when you have compiled a sufficient amount of real evidence against him and he states that he has no knowledge of what is going on. This false statement can be used against him later on.



Once all the information is in, the investigator must continue to analyze it all and start to put the pieces together. Sometimes, witnesses or victims might have to be re-interviewed in light of your deductions or new evidence. Suspect should be confronted and interviewed. Statement taken.

INVESTIGATIVE QUESTIONS



- **A thorough investigation requires that specific questions must be answered and will link the crime or incident, the offender and the victim.**

WHO?

- **Who discovered the crime or incident?**
- **Who reported it?**
- **Who saw or heard anything of importance?**
- **Who committed the offence?**
- **Who helped the offender?**
- **With whom did the offender associate with?**
- **With whom are the witnesses associated with?**

WHAT?

- **What happened?**
- **What crime or incident occurred?**
- **What are the details of the situation?**
- **What were the actions of the offender?**
- **What do the witnesses know about the case?**
- **What evidence was obtained?**
- **What was done with the evidence?**
- **What tools were employed?**
- **What weapons were utilized?**
- **What knowledge, skill, or strength was necessary to commit the offense?**
- **What was the motive?**

WHERE?

- **Where was the offense committed?**
- **Where were the suspects seen?**
- **What were the witnesses doing during the time of the incident?**
- **Where did the suspect live or where was his work area?**
- **Where was the physical evidence found?**



WHEN?

- **When was the offense committed?**
- **When was it discovered?**
- **When was notification received?**

HOW?

- **How was the offense committed?**
- **How did the suspect get to the scene?**
- **How did he get away?**
- **How did the suspect get the information necessary to enable him to commit the crime?**
- **How was the incident discovered?**
- **How much property or financial assets were stolen?**
- **How much physical damage was done?**
- **How much skill, knowledge, and strength was necessary to commit the offense?**



WHY?

- **Why was the offense committed?**
- **Why was the particular method employed?**



*CONCLUDING THE
INVESTIGATION*

CONCLUSION

The conclusion to the investigation is put forth in the final report. The case can be closed by identifying and having the person arrested or disciplined, recovering the stolen property, and preparing an airtight case, or the case is left open because no conclusions can be drawn at this time and the appearance of new evidence could solve the case. If the case is going to be left open, make sure that all leads were followed up and that no logical conclusion can be drawn at this time.



WRITTEN REPORT

Final Written Report



Must be:

- **Neat**
- **Accurate**
- **Impartial**
- **Relevant**
- **Thorough**
- **Clear**
- **Concise**
- **Chronological**
- **Complete**
- **Narrative form**

Final Written Report

Structure

- 1. Introduction (brief statement/summary)**
- 2. Body (relevant facts of the whole case)**
- 3. Conclusion (summarize the report)**

Final Written Report



- **When writing the report, remember that the reader may not be familiar with your company's internal terminology, acronyms, operational processes or had other knowledge related to the reported violation.**

PREVENTIVE MEASURES

- **Under a separate cover, identify any breakdowns in controls that allowed or contributed to the commission of the crime or incident.**
- **What preventive measures could have been taken?**
- **What new preventive measures should be employed to reduce future losses?**

ACHIEVING THE GOAL

- **As you can see, working with law enforcement is not difficult if you take the time to understand them and develop a good relationship with them.**
- **Identifying the perpetrator, recovering assets, bringing the perpetrator to justice and discovering weaknesses in controls is a TEAM EFFORT.**