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LIVE

READ THE HEADLINE

DON'T BE THE

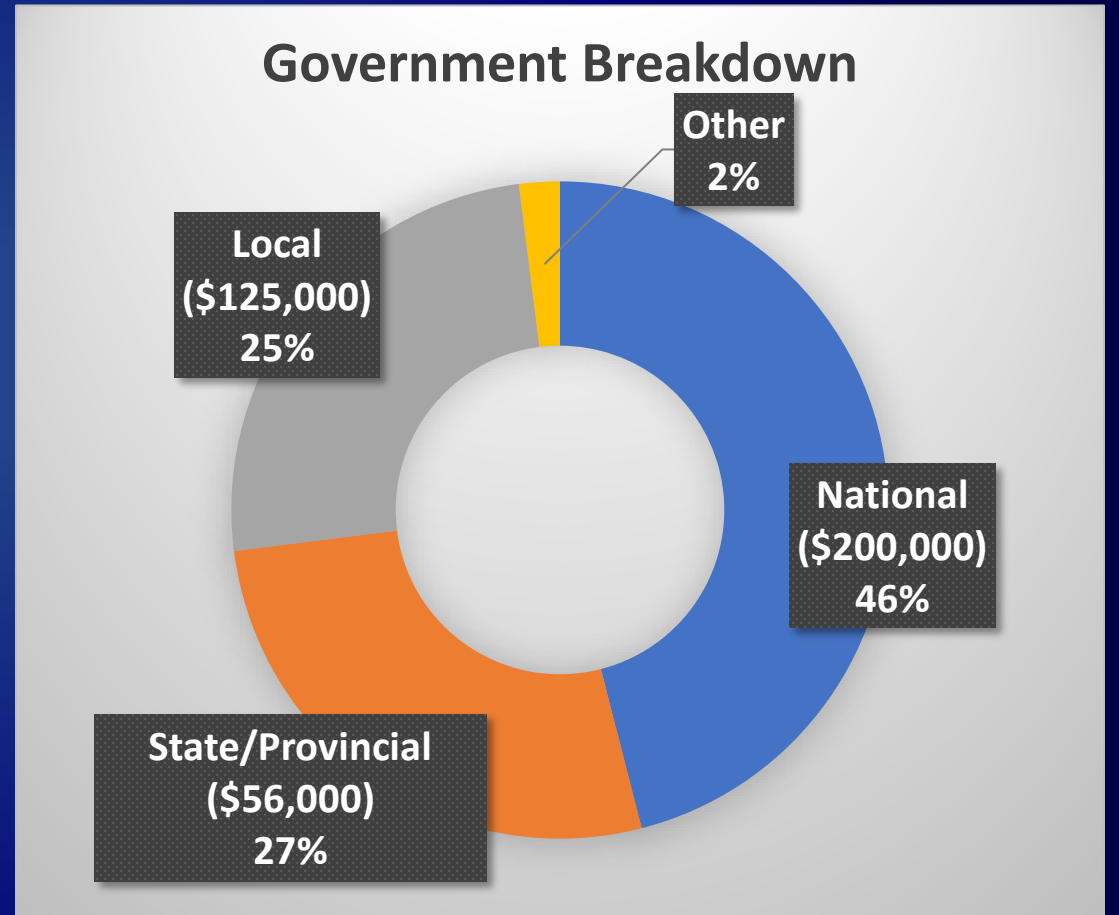
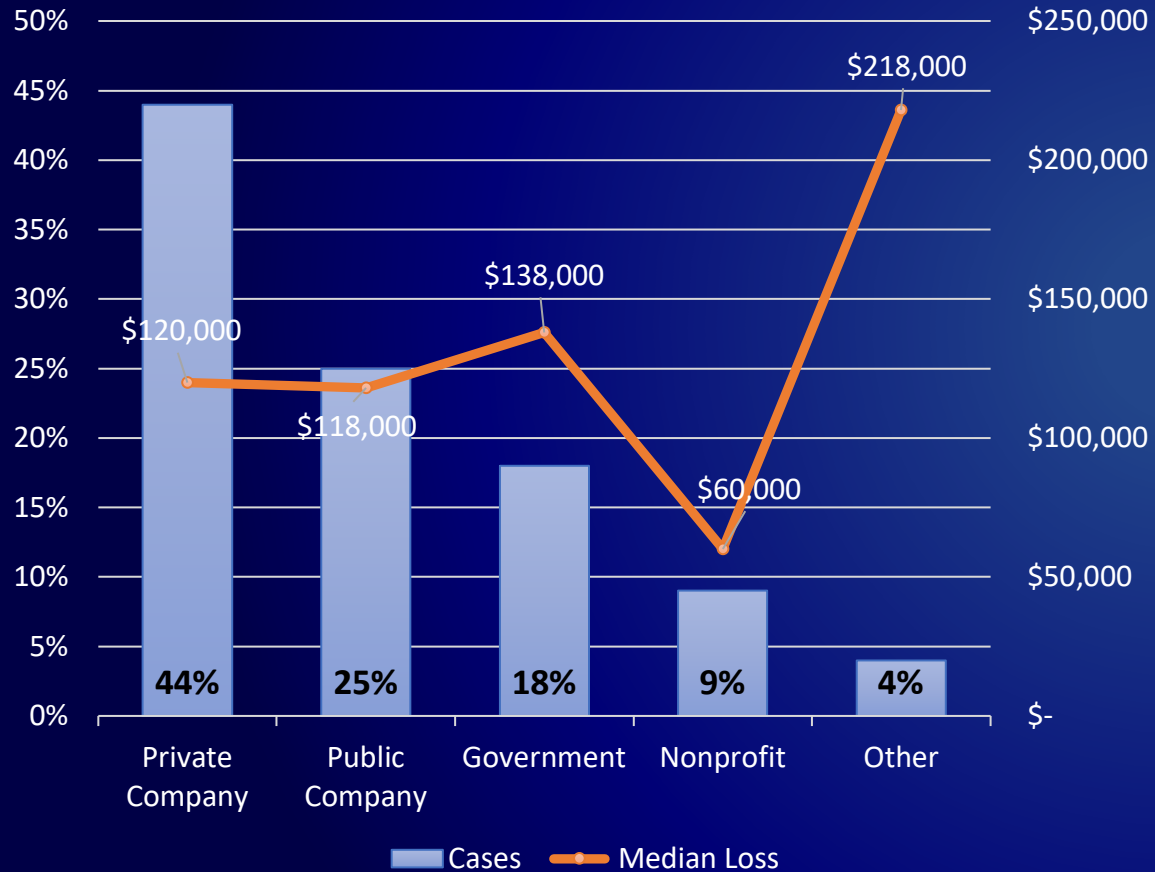
HEADLINE

OCCUPATIONAL FRAUD 2022: A REPORT TO THE NATIONS

Association of Certified Fraud Examiners

<https://rb.gy/lbga>

VICTIM ORGANIZATIONS - TYPES



MOST COMMON OCCUPATIONAL FRAUD SCHEMES FOR GOVERNMENT

	Cases	Billing	Cash Larceny	Cash on Hand	Check & Payment Tampering	Corruption	Expense Reimbursements	Financial Statement Fraud	Noncash	Payroll	Register Disbursements	Skimming
Government & Public Administration	198	21%	8%	7%	9%	57%	12%	8%	16%	16%	3%	8%

Where does Fraud Happen?

<https://icma.org/articles/pm-magazine/fraud-and-embezzlement-local-government>

- Fuel Use Management
- Procurement/purchasing functions
- IT and cybersecurity
- Utility operations and utility billing functions
- Grant Management, including ARPA funding
- HR operations
- Permitting operations
- Inventory management
- Payroll management, including overtime use
- Accounts payable and accounts receivable
- Cash handling throughout all departments
- Scheduled drug management (fire/EMS) or Evidence Handling (Police)

Why does Fraud Happen?

<https://www.acfe.com/fraud-resources/fraud-101>



The Fraud Triangle hypothesizes that if all three components are present — unshareable financial need, perceived opportunity and rationalization — a person is highly likely to pursue fraudulent activities.

ALL IN THE FAMILY!

SMITHVILLE MAYOR AND SON INDICTED

**FORMER MAYOR OF SMALL MISSOURI TOWN
'LINED HER OWN POCKETS WITH CITY FUNDS'**

TIME OFF!

3 CITY OF PHOENIX EMPLOYEES FACE POSSIBLE CHARGES AFTER POTENTIAL FRAUD CASES

FORMER POLICE CHIEF FROM SMALL UTAH TOWN CHARGED WITH PAYROLL FRAUD DURING TENURE

NYC CHILD SERVICES STAFFER LIED ABOUT WORK TO POCKET \$21K IN SALARY WHILE ON TRIPS TO AFRICA, ACROSS US

SMALL BUT IT COUNTS!

**FORMER ST. LANDRY PARISH SHERIFF'S DEPUTY ACCUSED OF
USING SLPSO MONEY TO REFURBISH TRAILER**

**FORMER GA. PUBLIC WORKS DIRECTOR ARRESTED FOR
USING CITY CREDIT CARD ON PERSONAL ITEMS, GBI SAYS**

SWING AND A MISS!

NC TREASURER: STATE WORKING TO RECOVER \$2.7 MILLION LOST IN FRAUD SCHEME

BEFORE PORTLAND LOST \$1.4 MILLION IN CYBER BREACH, CITY TREASURER RAISED RED FLAG

FEDS SEIZE BANK ACCOUNTS AND CARS IN ALLEGED KANSAS CITY DEVELOPMENT AGENCY FRAUD SCHEME

NOW THAT'S HOW YOU FRAUD!

**7 MISSOURI GOVERNMENT EMPLOYEES
ARRESTED FOR HEALTH CARE FRAUD SCHEME**

**NEW CHARGES FILED AGAINST DUBOIS CITY
MANAGER**

IT'S RAINING FRAUD!

LYNN HAVEN MAYOR AND CITY ATTORNEY EACH CHARGED WITH MORE THAN 60 FEDERAL CRIMES

FEMA OFFICIAL AMONG THOSE ARRESTED IN POST-HURRICANE PUERTO RICO FRAUD CASE

PPP FRAUD SUSPECTED OF 5 MORE COOK COUNTY WORKERS, INCLUDING WOMAN WHO USED MONEY TO PAY FOR DAUGHTER'S WEDDING, REPORT SAYS

What were they thinking!

**ILLEGAL WINERY BUSTED AT ALABAMA TOWN'S
SEWAGE PLANT**



**'METH. WE'RE ON IT' – SOUTH DAKOTA NEW
PUBLIC HEALTH ADS RAISE EYEBROWS**

ORGANIZATIONAL LESSONS

The Aftermath

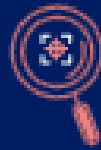
**GARDEN CITY STAFFERS RESIGN AFTER TAKING
FLORIDA TRIP TO CANCELED IN-PERSON CONFERENCE**

**SHE STOLE \$54 MILLION FROM HER TOWN.
THEN SOMETHING UNEXPECTED HAPPENED.**

The presence of anti-fraud controls is associated with



AND



LOWER
fraud losses

QUICKER
fraud detection

Nearly **HALF** of cases occurred due to:

Lack of internal controls

OR

Override of existing controls

29%

20%



81% of victim organizations **MODIFIED** their anti-fraud controls following the fraud.

75%

Increased management review procedures

64%

Increased use of proactive data monitoring/analysis

ACTIONS TO TAKE

- Complete a comprehensive fraud risk assessment throughout all levels of your organization – not just finance.
- Ensure you have an updated and modernized cybersecurity incident response plan in place.
- Make certain you have correctly implemented multifactor authentication (MFA) for a variety of functions, including employee password resets, changing vendor banking information, etc.

QUESTIONS?



Aaron Rector
Director of Administrative Services
City of Keller
arector@cityofkeller.com
817-743-4026



Meg Jakubik
Strategic Services Manager
City of Bedford
meg.jakubik@bedfordtx.gov
817-952-2117