Opening Keynote: The Honest Truth About Fraud–A Former FBI Agent Tells All

Vic Hartman, CPA
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This presentation will explain the motivations of why people commit fraud. Next, the fraud threat picture will be described. The concepts of Why (people commit fraud) and What (frauds will they commit) will then be juxtaposed on the Fraud Life Cycle: Prevention, Detection, Investigation, and Litigation. Using real-life case examples, internal auditors will gain actionable steps they can utilize to improve hard controls (policies and procedures) and soft controls (culture) to create a more fraud-resistant organization.

In this session, participants will:
- Explore the motivation of fraudsters and understand the fraud threat picture.
- Gain insights into the Fraud Life Cycle: Prevention, Detection, Investigation, and Litigation.
- Investigate ideas for enhancing an organization’s hard and soft controls.

Vic Hartman is an attorney, CPA, and retired FBI agent. As part of FBI management, he played leadership roles in both the Enron and WorldCom investigations. He is the founder of The Hartman Firm, LLC in Atlanta, Georgia, which specializes in internal investigations, forensic accounting, and fraud mitigating consulting. Hartman is also an Adjunct Professor at Georgia State University, where he teaches a masters-level forensic accounting course. He is the author of the book, The Honest Truth About Fraud.

NASBA: Specialty Knowledge | Learning Level: Basic | CPE Credit: 1.8
All may appear smooth, but even a public tender can ripple with irregularities beneath the surface of a winning bid. Management, internal auditors, compliance specialists, etc. may believe that if a vendor was found via a public tender, it means the organization received the best possible offer for goods or services, so they continue to tick the boxes and erroneously acknowledge that “all our partners are found via a fair competition; therefore, no fraud can exist.” But procurement fraud can take many shades, and as a result, organizations risk purchasing goods or services that are below the desired quality or overpriced or manufactured by forced labor. Other risks include less competition and employees receiving kick-backs or illegal gratuity from vendors.

In this session, participants will:

- Identify different varieties of procurement fraud.
- Examine real-life cases and examples.
- Learn ways to mine for red flags of procurement fraud.
- Understand how to analyze red flags of procurement fraud.

**NASBA: Auditing | Learning Level: Basic | CPE Credit: 1.2**
CS 2: Fraud Monitoring and Detection- Is Your Organization as Protected as Management Says?

Khaled Soliman Khalil
Controls Manager
Parker Wellbore

Human talent is the factor that both drives an organization’s success and increases its risk for fraudulent activity. How can internal audit help? According to The IIA’s Standards, the primary responsibility for the prevention and detection of fraud rests with the management of an organization. Internal audit’s role is to assess three key areas of management’s fraud risk plan, including fraud prevention, detection, and monitoring. This presentation will investigate the critical factors to perform a fraud risk engagement — through the lens of the human factor — to ensure your organization is protected from fraud risk, just as management says.

In this session, participants will:

• Determine internal audit’s role in fraud prevention, detection, and monitoring.
• Examine key fraud prevention factors, including internal controls, organizationwide fraud risk awareness, and corporate culture.
• Review fraud detection strategies, including tone at the top, organizationwide understanding of fraud red flags, and increased skepticism in all layers of organizational governance.
• Explore fraud monitoring measures, including governance, assessment, strategy, and evaluation.

NASBA: Specialty Knowledge | Learning Level: Basic | CPE Credit: 1.2
CS 3: Fraud Detection and Investigation With Data Analytics in a Multinational Organization

Alexey Kim, CIA, FCCA, CFE  
Manager, Head of Forensic Services  
ArcelorMittal

David Pedregosa, CIA, CFE  
Global Assurance, Head of Forensic Europe  
ArcelorMittal

This presentation will focus on learning about the use of data analytics in detecting red flags impacting an organization. It will also discuss the advantages of using data analytics, versus focusing on a single incident, by supporting the identification of fraud patterns. During this session, we will cover the benefits of data analytics in fraud detection and its use in fraud prevention. The course will conclude with how to effectively communicate results.

In this session, participants will:
- Use data analytics to detect red flags and anomalies.
- Interpret the results and plan for additional procedures for fraud prevention or investigation.
- Get insights into reporting results.

Alexey Kim has more than 16 years of experience in the assurance area, including serving as an external auditor with public accounting firm KPMG, as an internal auditor in a national oil and gas company, and in a forensic services role with international steel and mining company ArcelorMittal. Kim has qualified as a Chartered Accountant with the Association of Chartered Certified Accountants of Great Britain and also holds Certified Internal Auditor and Certified Fraud Examiner designations.

David Pedregosa has more than 14 years of experience in assurance as external auditor in PwC and Deloitte in Spain, Luxembourg, and Canada; corporate internal auditor in multinational French engineering company Boccard; and forensic investigator in world-leading steel and mining company ArcelorMittal. He holds Certified Internal Auditor and Certified Fraud Examiner designations.

NASBA: Auditing | Learning Level: Intermediate | CPE Credit: 1.2
CS 4: Managing Fraud Risk in the Convergence of Data Science, RPA, and AI

Eric Wilson
Director - Internal Audit & Chief Audit Executive
Gulfport Energy Corporation

In the Terminator movie series, the convergence of data science, robotic process automation (RPA), and artificial intelligence (AI) ultimately had disastrous consequences for society. While these movies are works of fiction, the reality is that many organizations are actively attempting to merge these technologies to accelerate decision making, automate business processes, and find new ways to approach old business problems. The question is, are we managing the risks of this convergence, especially those related to fraud, appropriately?

In this session, participants will:

- Learn what data science, RPA, and AI are and study real-world examples of where the poorly controlled merger of these technologies had significant negative impacts on financial markets.
- Understand the design components of processes that utilize some or all of these technologies and where fraud risks are likely to be highest.
- Review the implementation of an automated system that combines data science, RPA and AI, with an emphasis on identifying areas of fraud risk and other undesirable activities.
- Gain insights into identifying, developing, and implementing controls necessary to mitigate fraud and operational risks within each technology and within a system that combines two or more of the technologies.

NASBA: Auditing | Learning Level: Intermediate | CPE Credit: 1.2