

# Missing... Integrity

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THE DIFFERENCE BETWEEN 99% AND 100%



WHEN SOMETHING IS WHOLE AND COMPLETE, IT JUST WORKS

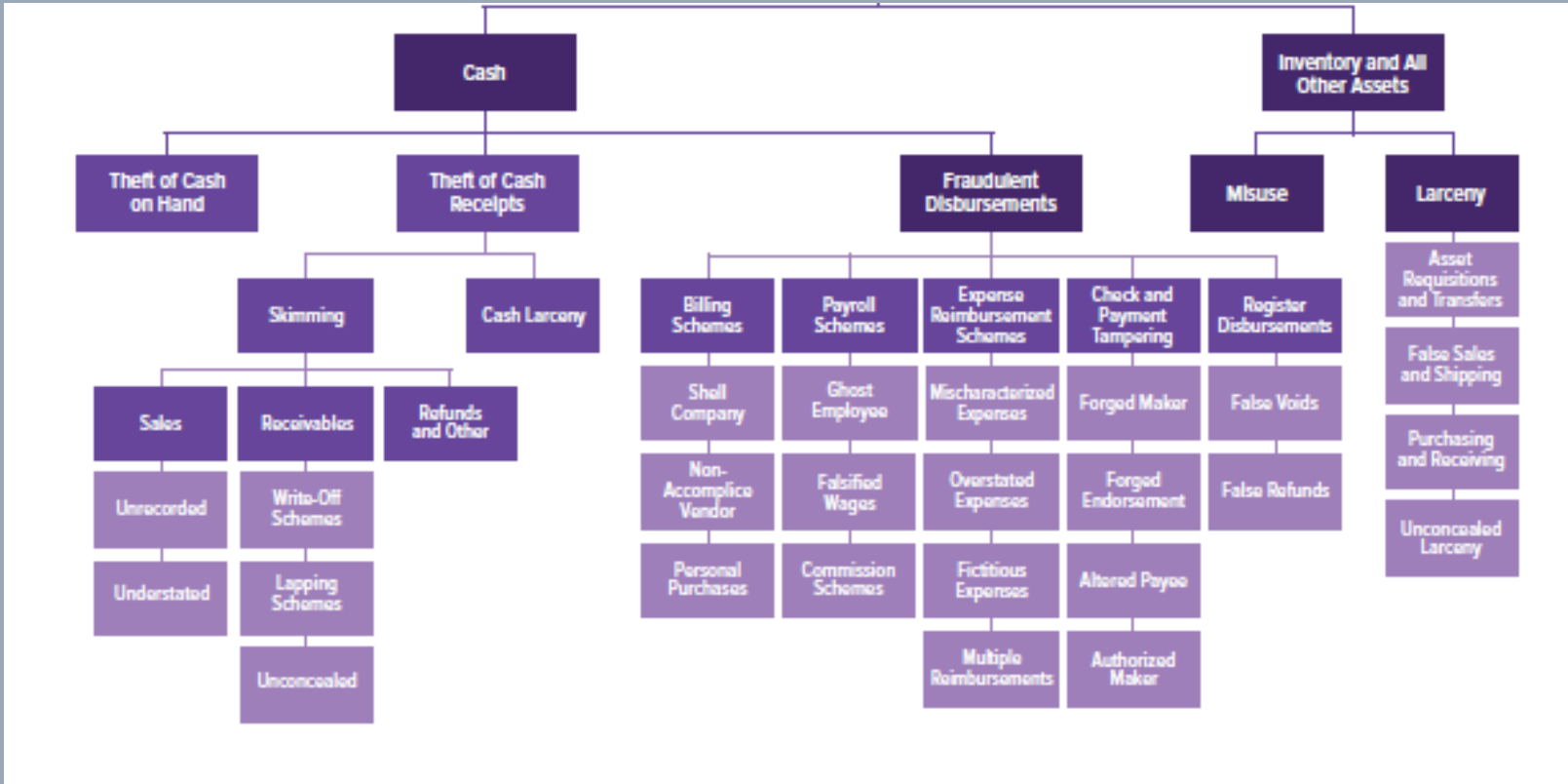
ORGANIZATIONS, EMPLOYEES AND SYSTEMS ARE TARGETED BY FRAUDSTER, BUT PREVENTION SPECIALISTS MUST HAVE THE SAME TARGET IN FINDING AND CLOSING THE MISSING GAP



## THE MISSING 1%

ANY DISRUPTION IN THE INTEGRITY OF A DESIGN, HOWEVER SMALL, IMPACTS ITS WORKABILITY AND FUNCTION.

### ASSET MISSAPPROPRIATION



### FI STATEMENT FRAUD

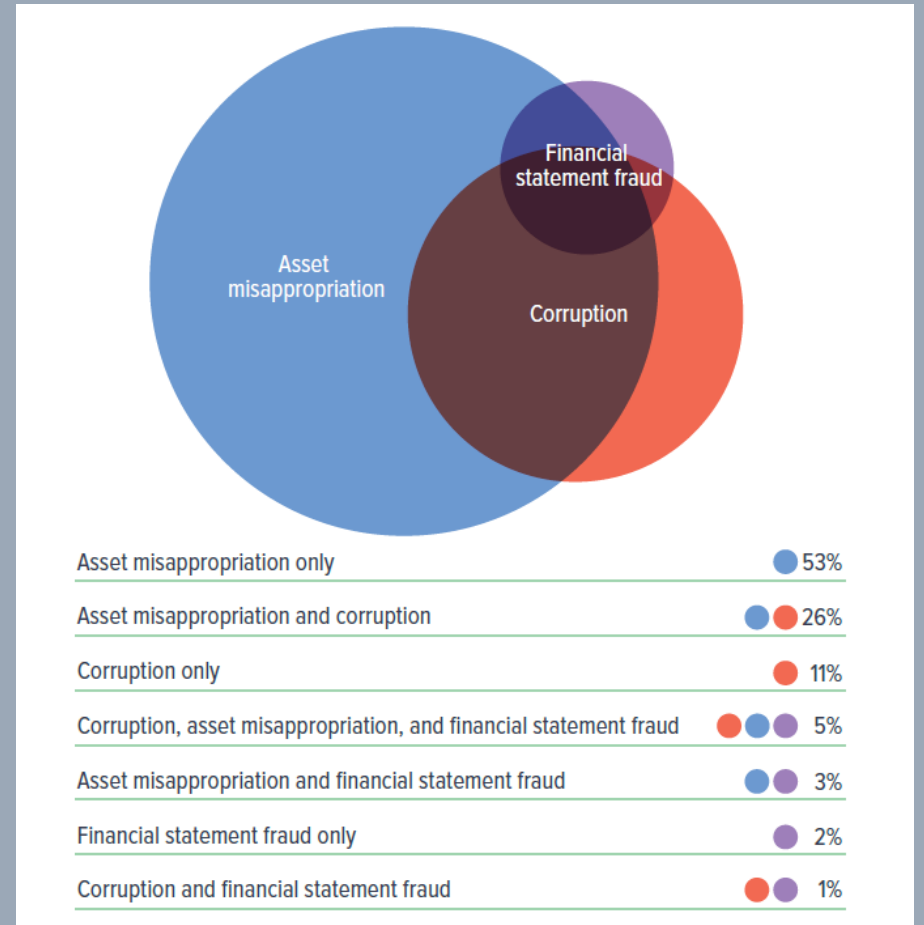
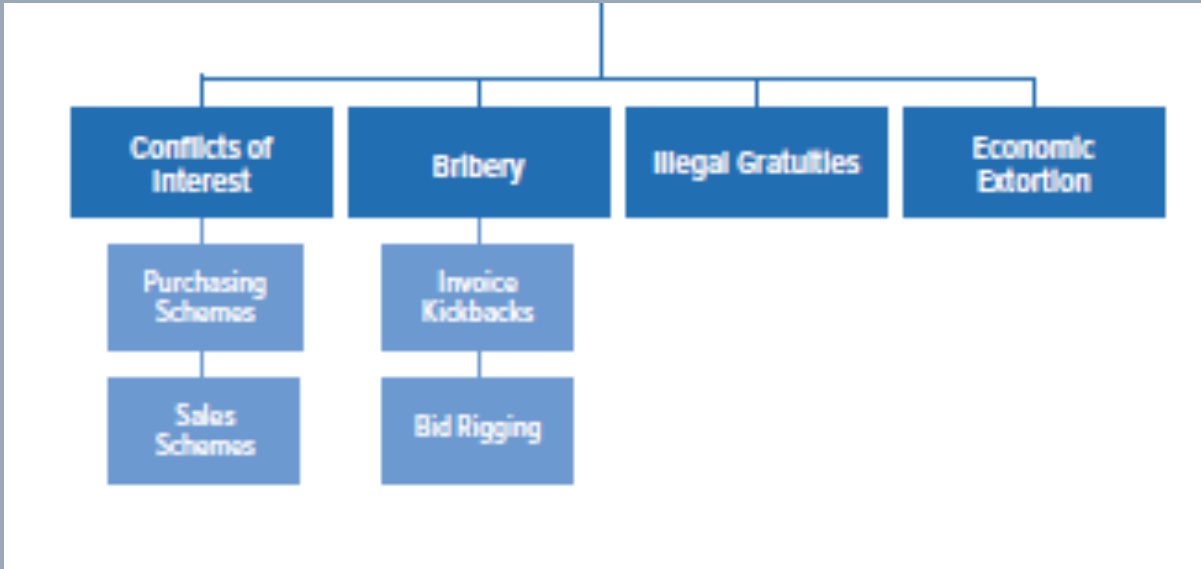


DATA SOURCE :ACFE 2020 Report to the Nations

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CORRUPTION



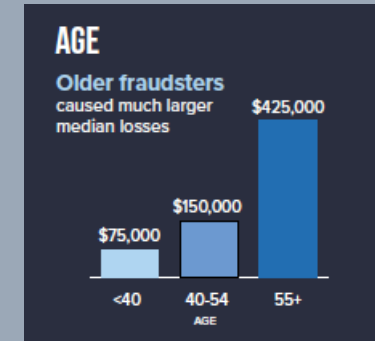
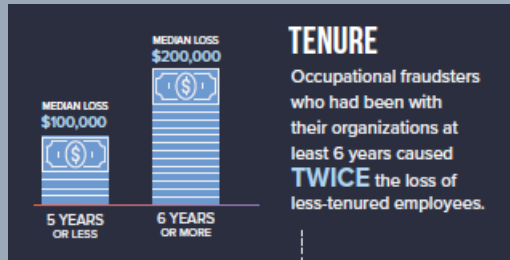
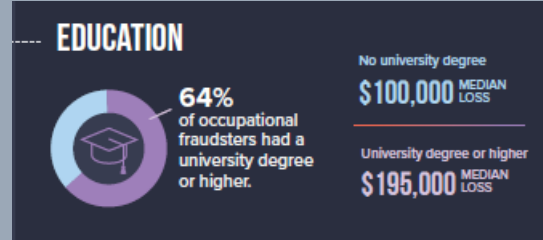
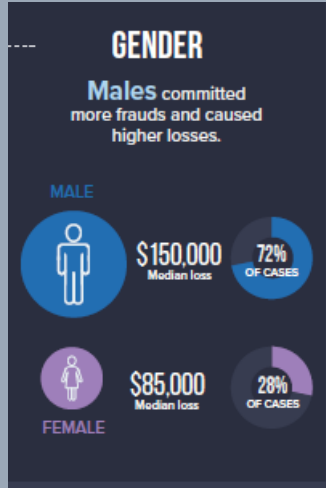
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# FRAUDSTER PROFILE

## OCCUPATIONAL FRAUD



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## WARNING SIGNS

## OCCUPATIONAL FRAUD

### 7 KEY WARNING SIGNS



**42%**

Living beyond means



**26%**

Financial difficulties



**19%**

Unusually close association with vendor/customer



**15%**

Control issues, unwillingness to share duties



**13%**

Irritability, suspiciousness, or defensiveness



**13%**

"Wheeler-dealer" attitude



**12%**

Divorce/family problems

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The Company's accounting organization is divided due to the high volume of transactions into vendor specialized accountants. Their responsibilities expand from vendor related master data management to invoice posting. Accountant M is for more than 20 years in the company and since the last 12 years is dealing with the transactions related to the vendor X. The daily invoices from X have the same frequency of occurrence and mainly the same amount since the beginning of the business relationship with the company. At the beginning of the year, a new buyer is hired in the purchasing department. After the first quarter, vendor X notifies the company about the change of banking details. Due to personal reasons, the new buyer resigns after 6 months. Closing the years end books, the company is faced to realize a billing fraud related loss of more than 1,5 M USD.

Where was the disruption in the company work-flow?

What measures could have been in place to avoid this loss?

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The Company's accounting organization is divided due to the high volume of transactions into vendor specialized accountants. Their responsibilities expand from vendor related master data management to invoice posting. Accountant M is for more than 20 years in the company and since the last 12 years is dealing with the transactions related to the vendor XX. The daily invoices from XX have the same frequency of occurrence and mainly the same amount since the beginning of the business relationship with the company.

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Creation of a vendor shell company: X.X

Creation of fraudulent physical documents: Notifications for changing banking details

Alteration of physical documents: valid PO reference number transferred on X.X invoices

Billing on X.X the same amounts as usual, same frequency 'n' times

Blocking 'n' times real vendor XX invoices

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Improper segregation of duties

Lack of control ( 4 eyes principle) in changing sensitive master data

Missing fraudster profile check in the hiring process and exit process in the company

Routine work, lack of focus and control in both accounting & purchasing

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THANK YOU!  
VA MULTUMESC PENTRU  
ATENTIE!



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