



Jefferson Wells™
ManpowerGroup

Fraud Prevention: A Team Sport

February 19, 2025



Disclaimer

The presentation you are about to witness should not be relied upon or construed as legal, financial and/or medical advice. Please consult with your own Legal, HR and Finance resources and consider state and local law variations before making any policy or procedure changes.

Jefferson Wells is a professional services firm delivering solutions in Finance & Accounting, Internal Audit, Risk & Compliance, and Tax. We provide project consulting, integrated resourcing, and executive search.

- Our people leverage their extensive **industry & technical experience** to deliver practical and actionable solutions.
- Our tailored solutions and flexible delivery model, ranging from standalone **projects** and **integrated teams** through to **full outsource**, results in business acceleration for our clients.
- Our experience & independent solutions combined with practical and proven methodologies drives a **lower relative cost** of delivery.





Risk & Compliance

- Internal Audit Co-Sourcing
- Technology & Security Risk
- Financial Services Audit & Compliance
- SOX Compliance
- IT Audit
- Enterprise Risk Management

Finance & Accounting

- Finance Operations
- Finance & Accounting Consulting
- Transformation & Digitalization
- Process Optimization
- M&A Integration Support
- Policy & Procedure Development

Tax Services

- Corporate Income Tax Compliance
- Indirect Tax Compliance
- Tax Accounting & Consulting
- Property Tax Appeals
- Audit Defense
- Voluntary Disclosures



Project Solutions



Integrated Resourcing



Executive Search




Thought Leadership

Meet Our Presenter

- Consulting role with Jefferson Wells in March 2020, performing controls/risk consulting, fraud risk assessments, investigations
- 40 years experience in Corporate Accounting, Management, ERP/Accounting Systems Installations, Internal Audit and Business Controls. Final 11 years at IBM as Fraud and Business Conduct Investigator
- Experienced in well over 750 cases, including experience in North America and Europe
- Coastal Credit Union Board of Directors
- IIA Raleigh-Durham Chapter Board of Governors
- Peak Lab Rescue Board Chair – dog rescue



Overview

- 
- Great Sports Teams
 - Fraud Statistics
 - Fraud Risks Going Forward
 - Fraud Stories – White Collar Crime Involving Suits





- THIRTEEN TIMES CHAMPIONS – MOST EVER
- ONLY THREE PEAT – SORRY KC
- THIS YEAR WILL MAKE IT FOURTEEN TIMES!



- 11 Women's National Championships
- Final Four Contestant every year since 2008



have won the World Series
more than any other team Major League Baseball

- New York Yankees have won the World Series 27 times, more than any other team Major League Baseball team



Underdog Stanley Cup Winner – 2006 Carolina

Fraud Risk Opinion Question

Some say Fraud Risk is increasing and will do so even more with the introduction and proliferation of AI. How do you see Fraud Risk in this light over the next year or two?

- A. Fraud Risk will increase
- B. Fraud Risk will decrease since we will be able to better control it with AI
- C. Fraud Risk will remain the same
- D. Don't know, will have to see how it will play out

The Fraud Triangle...

Getting into the Fraudster's Mindset



Fraud Statistics

2024 ACFE REPORT TO THE NATIONS

2024 Report to the Nations. Copyright 2024 by the Association of Certified Fraud Examiners, Inc.

Study Summary

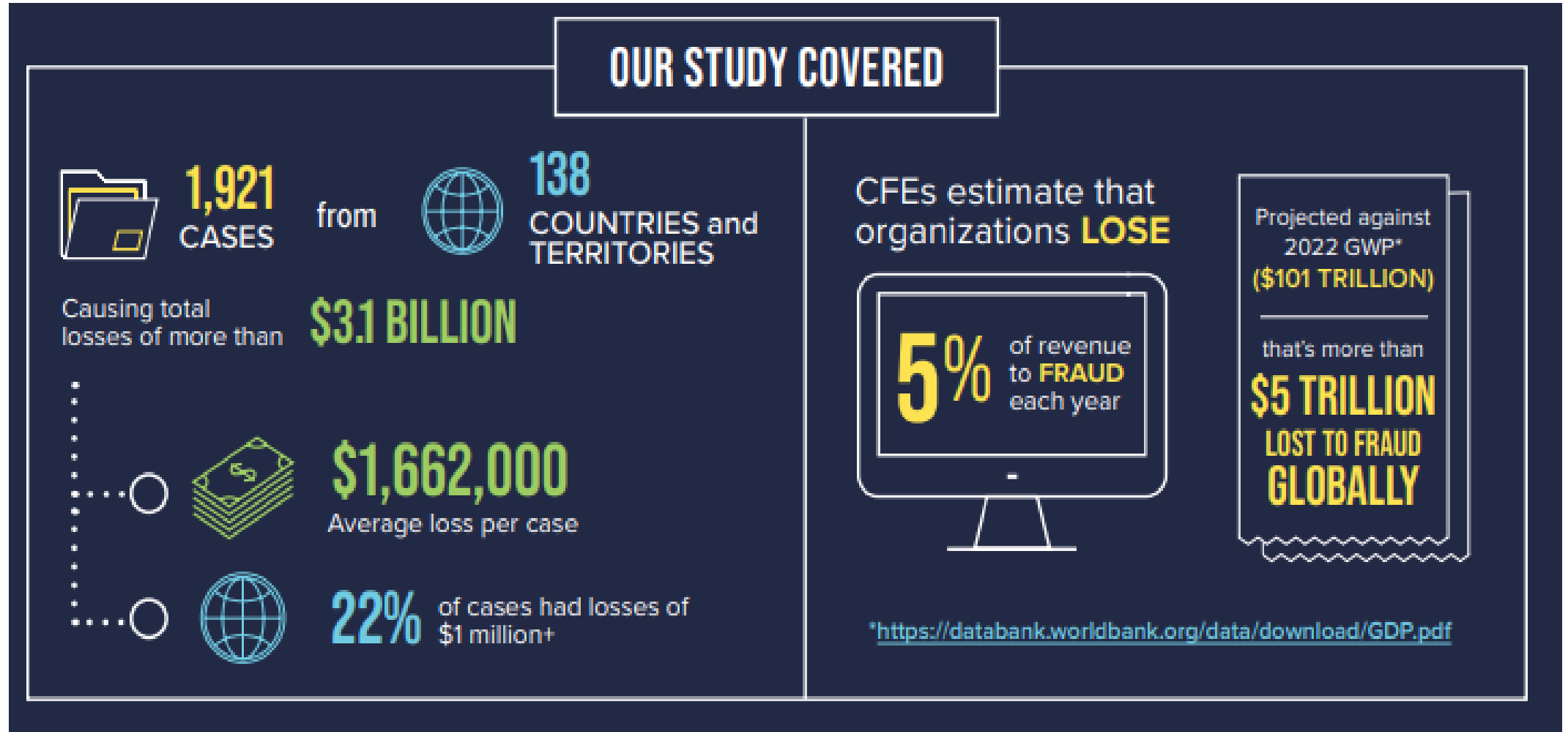
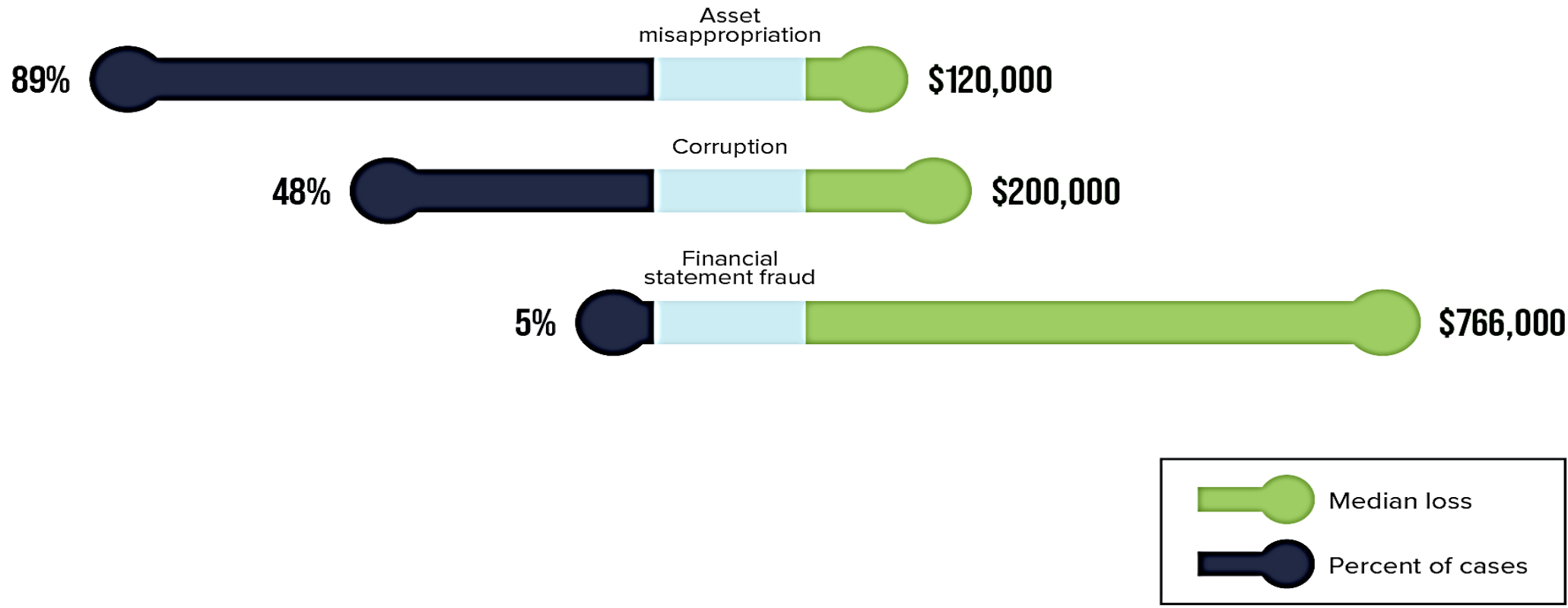
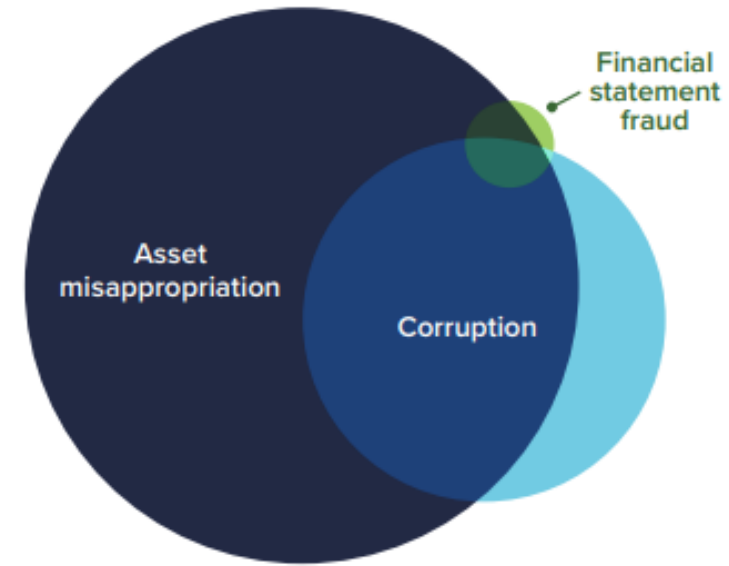


FIG. 2 HOW IS OCCUPATIONAL FRAUD COMMITTED?

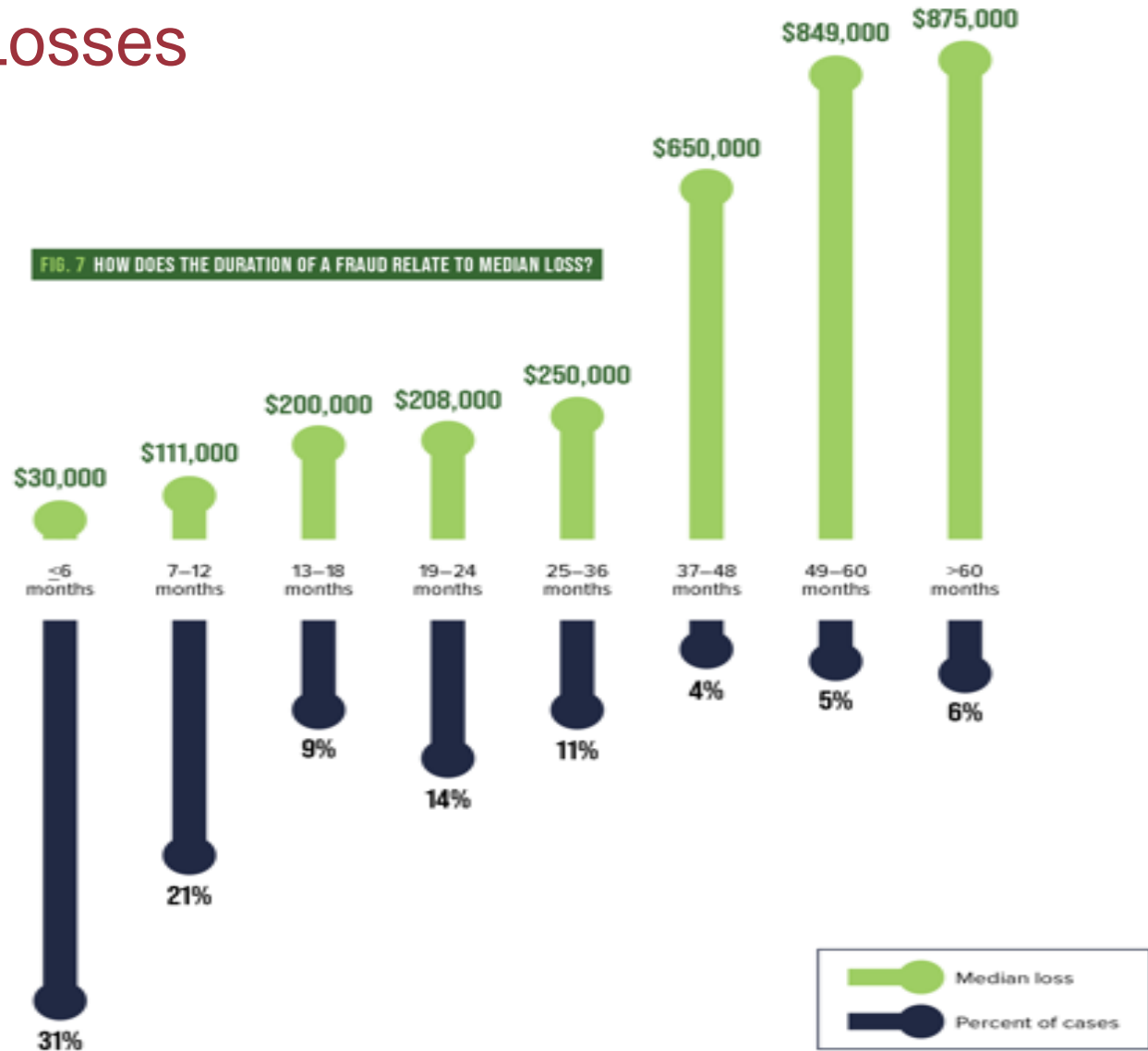


HOW OFTEN DO FRAUDSTERS COMMIT MORE THAN ONE TYPE OF OCCUPATIONAL FRAUD?



Asset misappropriation only	●	51%
Asset misappropriation and corruption	● ●	35%
Corruption only	●	10%
Corruption, asset misappropriation, and financial statement fraud	● ● ●	2%
Asset misappropriation and financial statement fraud	● ●	1%
Financial statement fraud only	●	1%
Corruption and financial statement fraud	● ●	<1%

Fraud Duration & Losses



How Do Occupational Fraudsters Conceal Their Scheme?

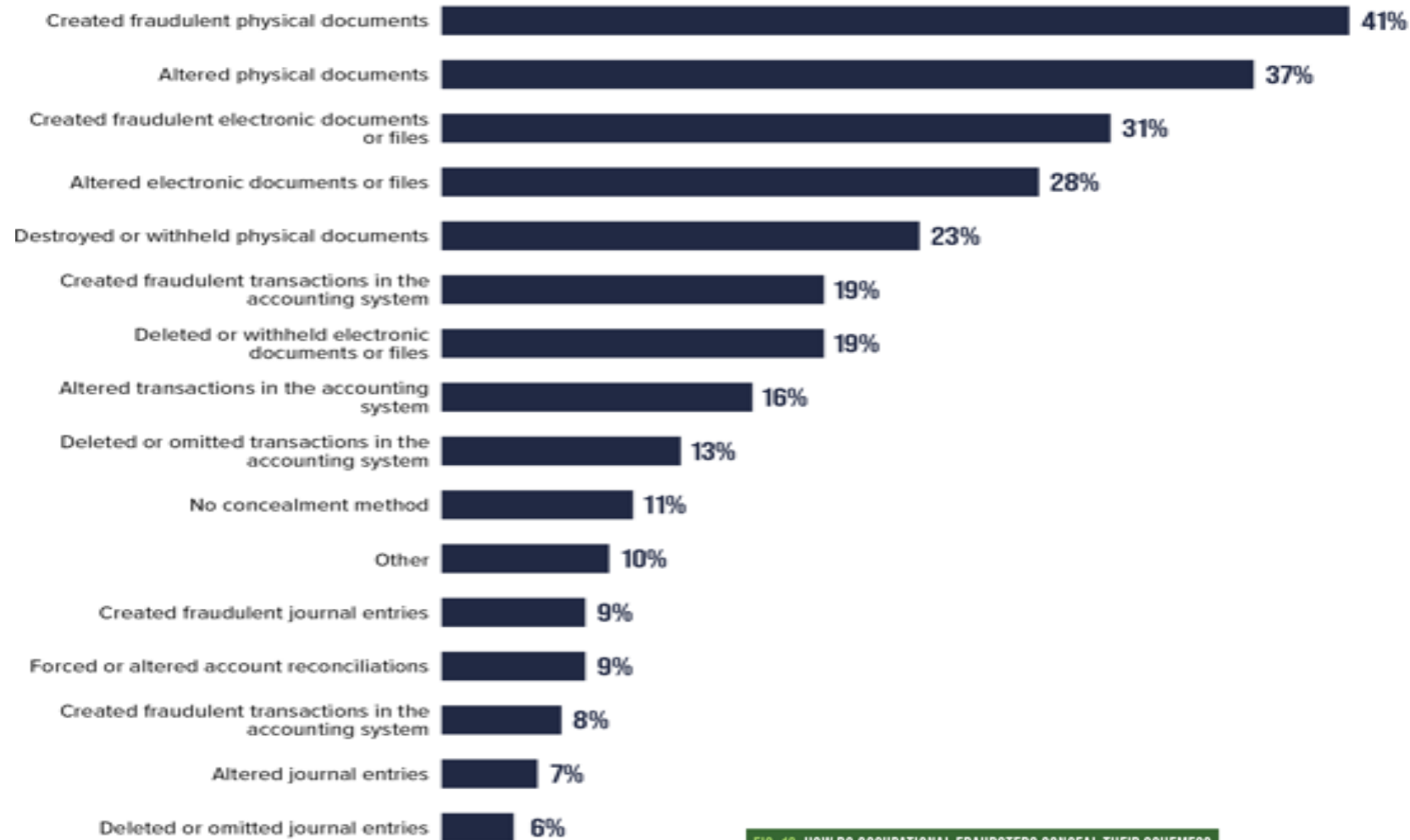


FIG. 10 HOW DO OCCUPATIONAL FRAUDSTERS CONCEAL THEIR SCHEMES?

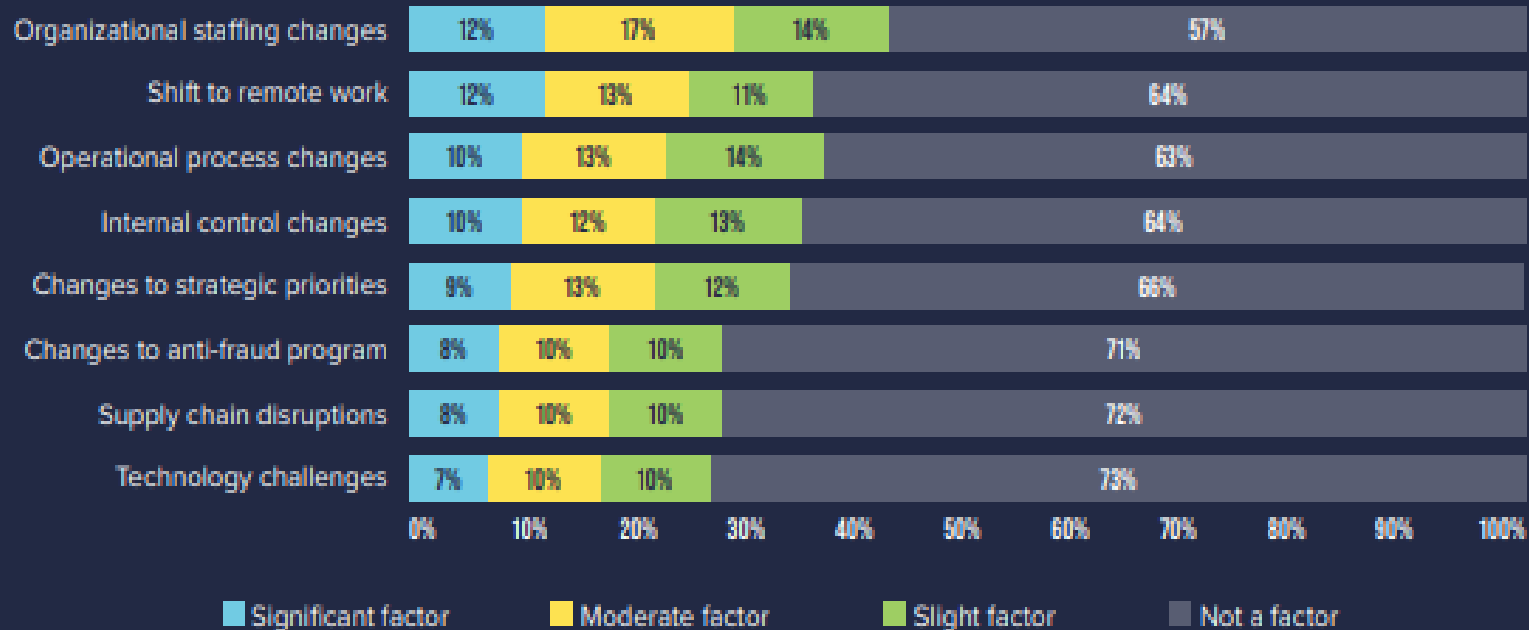
Covid Effect on Fraud



53% OF CASES

in our 2024 report had at least one pandemic-related factor contribute to the occurrence of the fraud.

TO WHAT EXTENT DID PANDEMIC-RELATED FACTORS CONTRIBUTE TO OCCUPATIONAL FRAUDS?



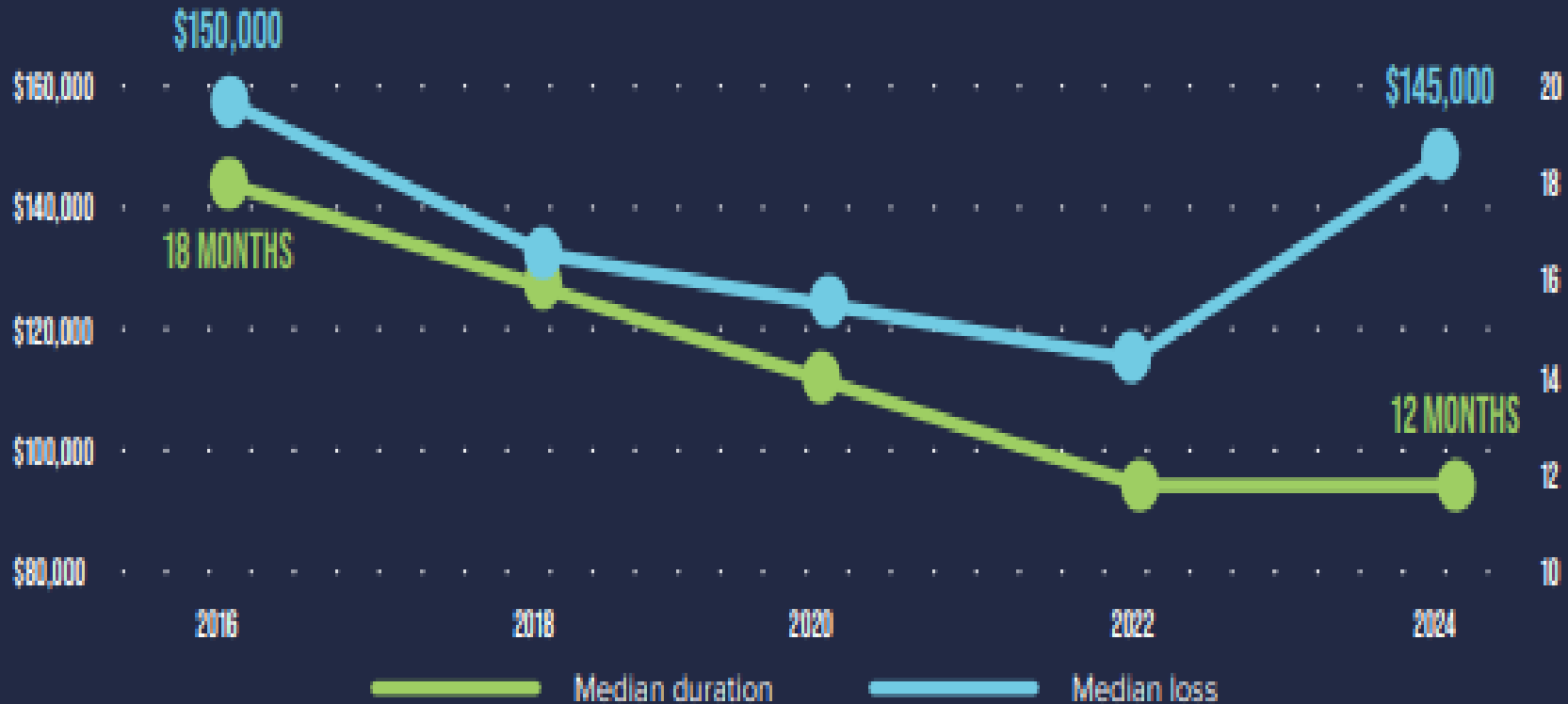
Median Fraud Loss Rises

After seeing a decline in fraud losses over several studies, the median loss of frauds that occurred during the pandemic increased notably, even while the time to detection did not change.



MEDIAN LOSS UP 24%

from 2022–2024



How are Cases Detected & By Whom

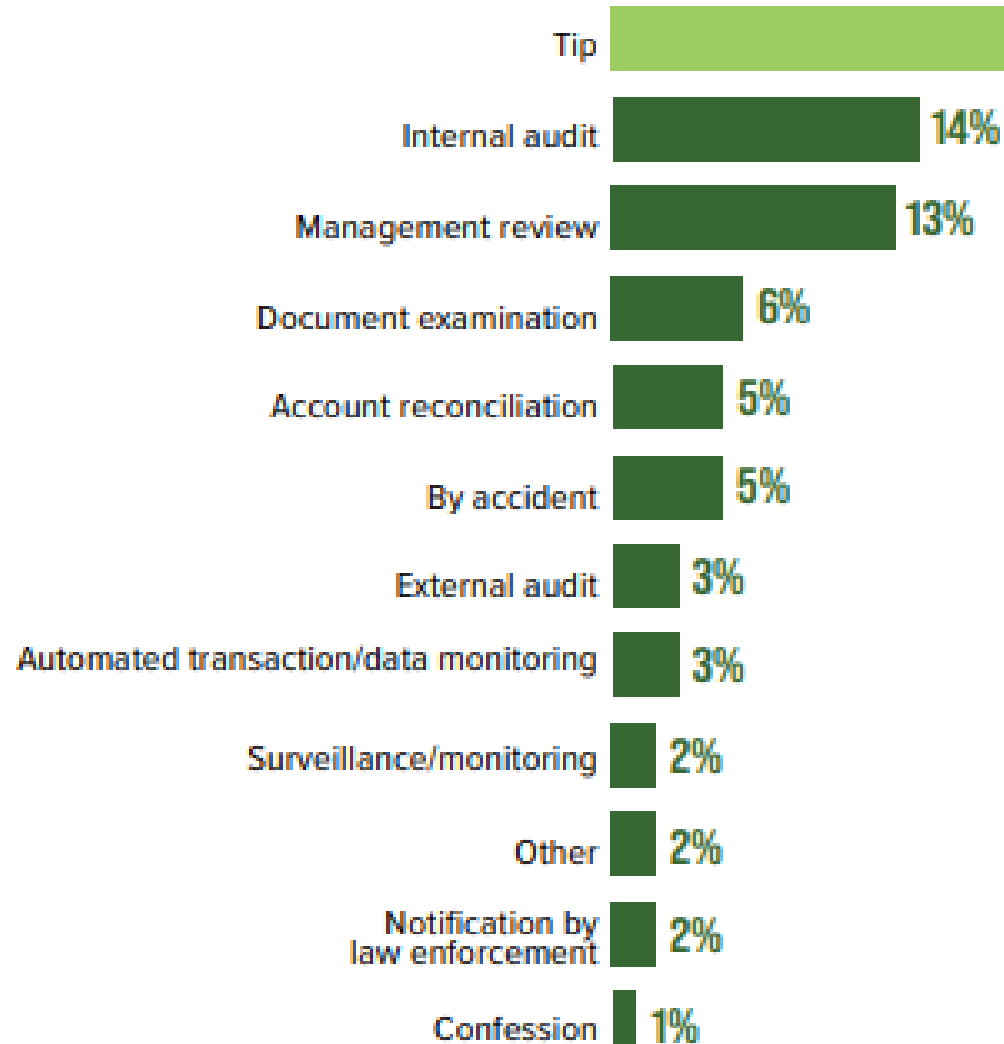
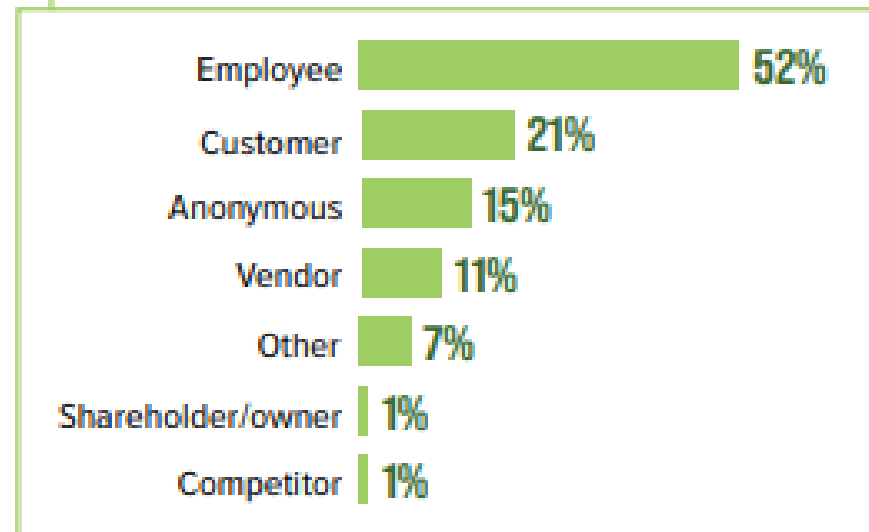
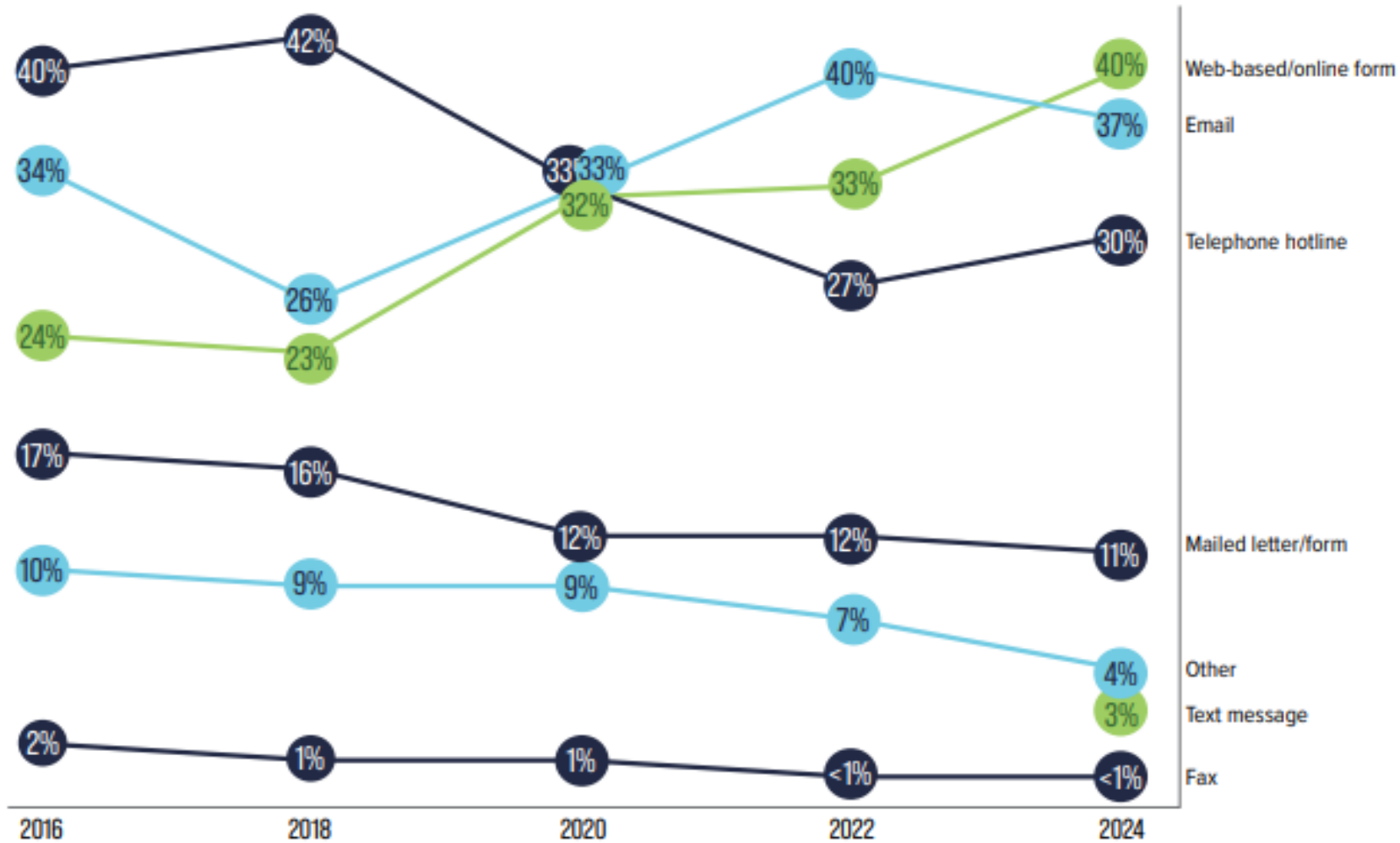


FIG. 14 WHO REPORTS OCCUPATIONAL FRAUD?

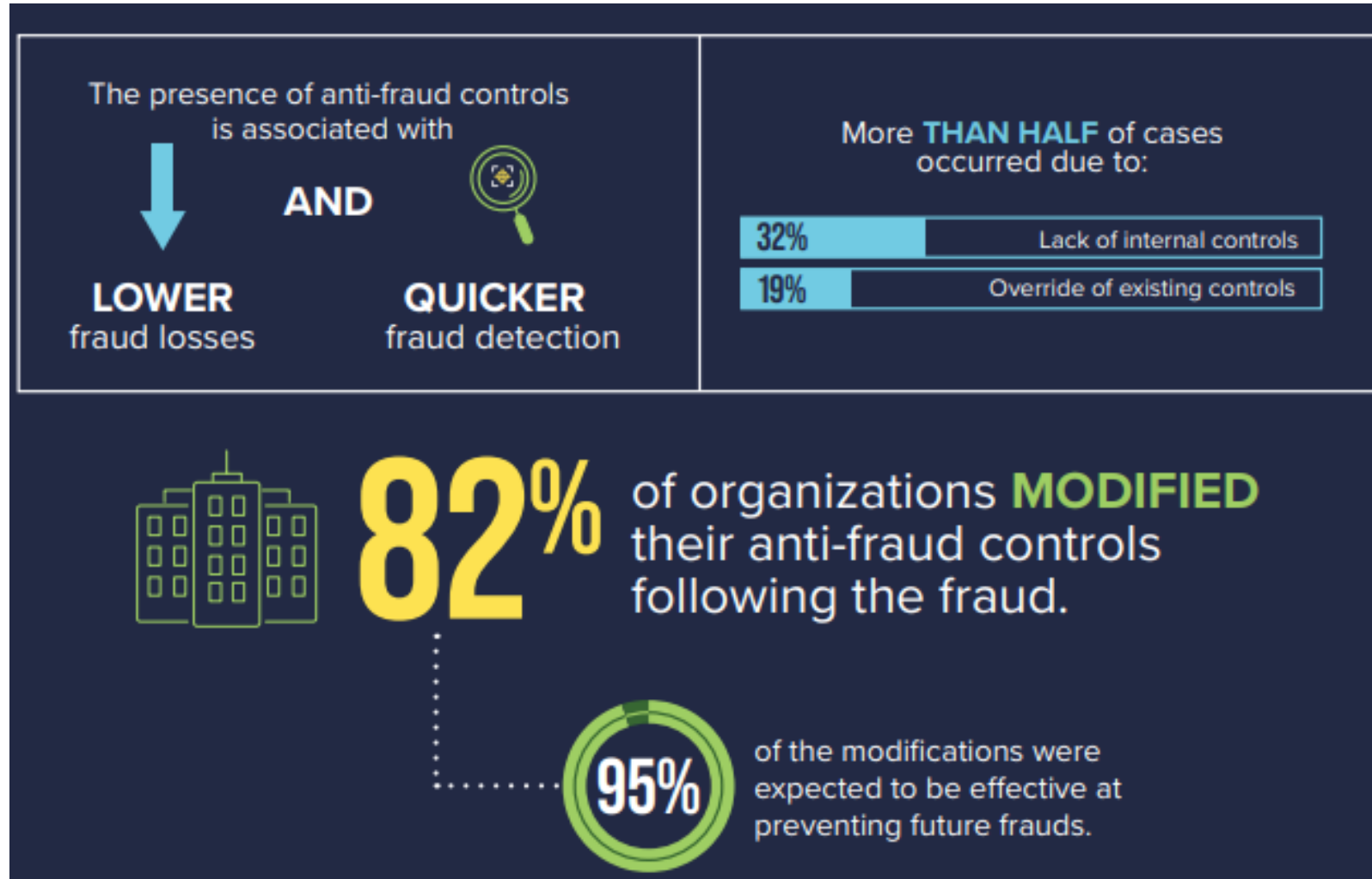


2024 Report to the Nations. Copyright 2024 by the Association of Certified Fraud Examiners, Inc.

Trending of How Tips are Reported



Anti-Fraud Controls



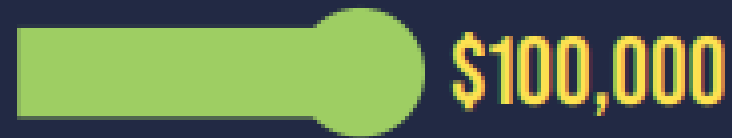
Fraud Training Increase



Fraud Awareness Training & Losses

Organizations that
DID NOT PROVIDE fraud
awareness training lost nearly
2X MORE.

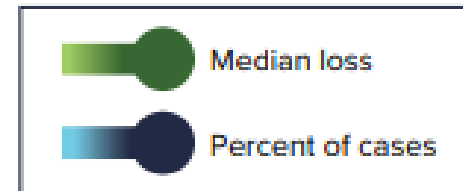
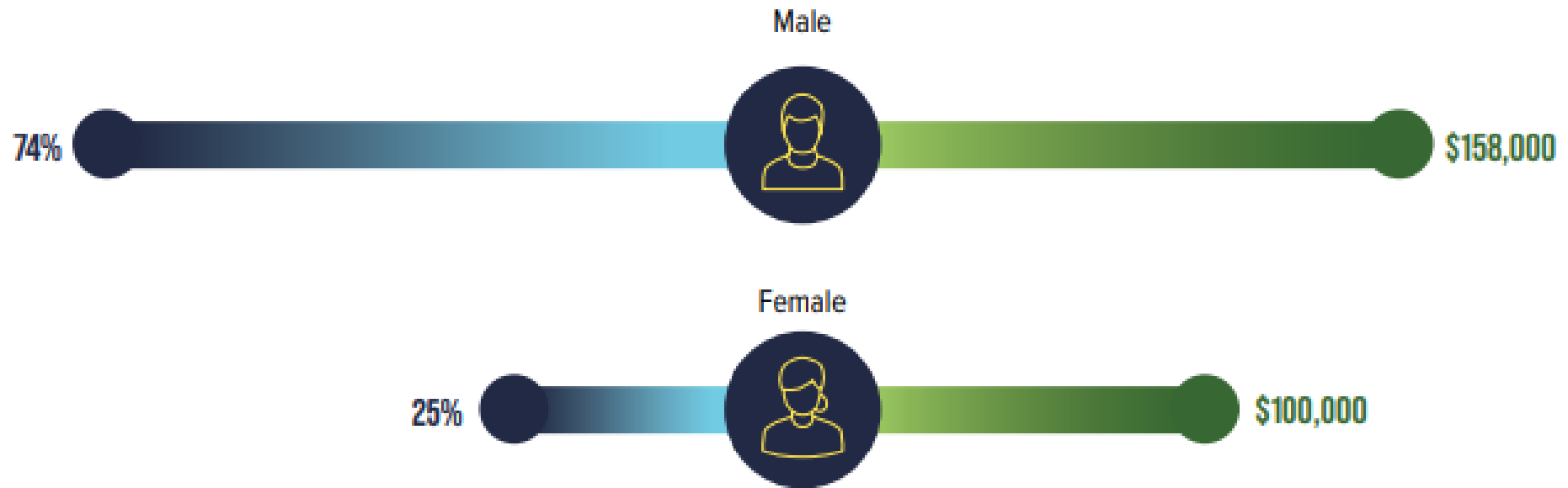
TRAINING BOTH employees and managers/executives



TRAINING NEITHER employees nor managers/executives



Which Gender Causes More Fraud



Behavior Red Flags of Fraudsters



Fraud Stories

White Collar Crimes Involving Execs

TD BANK

10th Largest Bank is the U.S.

What

- US DOJ launched a probe in May 2024
- Result of learning drug traffickers funneled hundreds of millions of their ill-gotten gains – much of it from fentanyl-smuggling operations – through TD Bank branches in NY and NJ
- Involvement of TD Bank employees in money laundering (gift cards)
- Largest bank ever to admit it violated the BSA
- Lawsuits initiated due to stock price decline

Consequences - External

- October 10, 2024: TD Bank pleaded guilty to criminal money-laundering-related charges agreeing to pay \$3B+ in fines to the US DOJ, the Federal Reserve, the Comptroller of the Currency, and the Treasury Dept's Financial Crimes Enforcement Network
- The Comptroller of the Currency also imposed an "asset cap" preventing TD Bank from growing any larger than its current size
- Bans TD Bank from opening a new branch or entering a new market w/o US regulator approval

Consequences - Internal

- Claw back of executive compensation
- Firings
- CEO retired in February 2025
- More prosecutions to follow per US DOJ



Chemours

Large Global Chemistry Company

What

- March 2024: Board commissioned a detailed review of financial statements after receiving a tip
- Raised concerns about manipulation of financial records; specifically timing of vendor payment and receivables
- Findings confirmed senior management (CEO, CFO, Controller) violated company's Code of Ethics, and revealed lack of transparency

Investigation Scope

- Reviewing processes for reviewing reports made to company's Ethics Hotline
- Reviewing company's practices for managing working capital, including related impact on metrics w/in company's inventive plans, and certain non-GAAP metrics included in SEC filings, or otherwise publicly released, and related disclosures
- Reviewing effectiveness of "tone at the top" set by certain members of senior management

Consequences - Internal

- CEO left in March
- CFO and Controller both replaced
- Claw back executive compensation
- Numerous lawsuits initiated
- Open as to whether federal government will be taking further actions



Questions



DO NOT DELETE

Thank you for attending!

Deron Rossi

Fraud/Internal Controls SME

Risk & Compliance

deron.rossi@jeffersonwells.com