



Fraud Happens

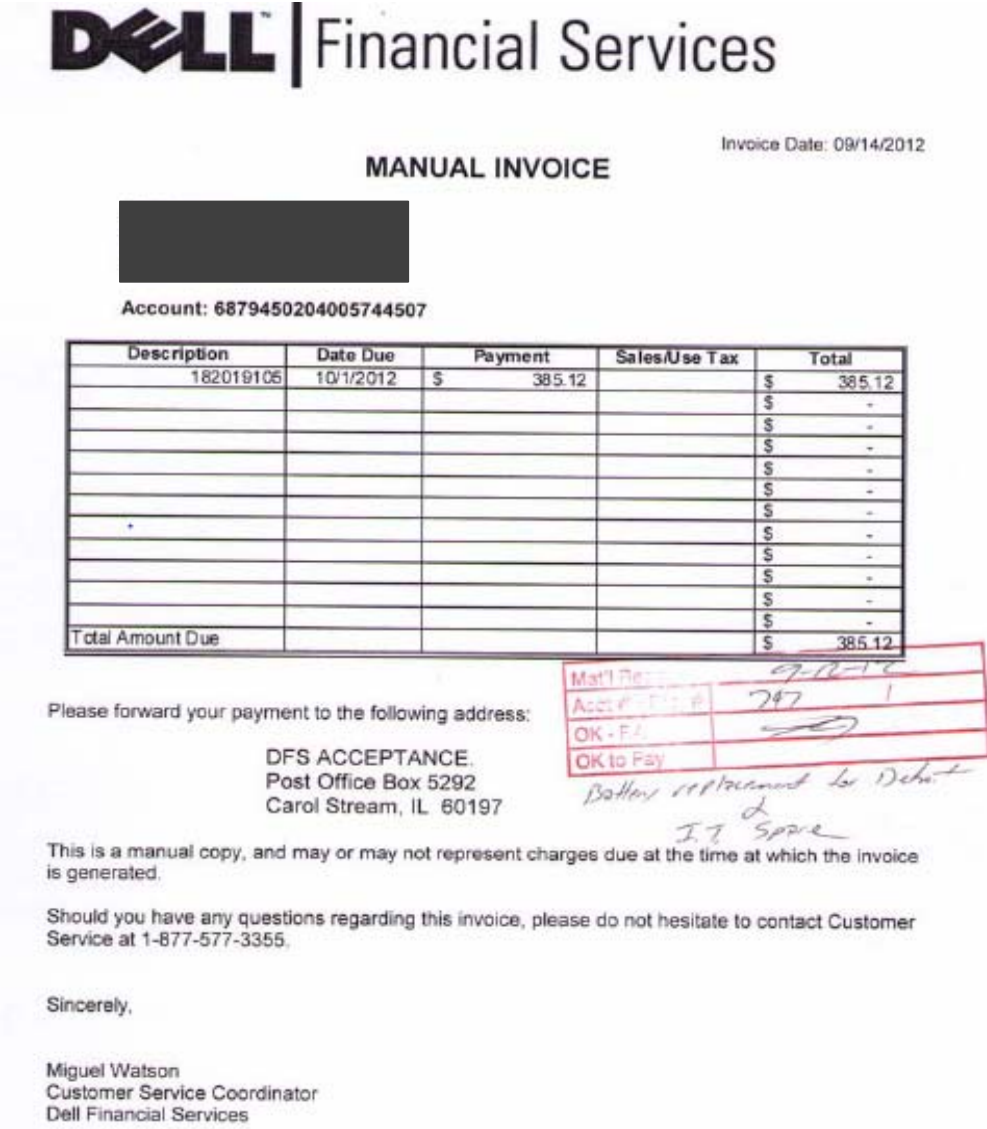
March 6, 2014

plante
m
moran

audit • tax • consulting



100



MANUAL INVOICE

Description	Date Due	Payment	Sales/Use Tax	Total
182018106	10/1/2012	\$ 385.12		\$ 385.12
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
*				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
Total Amount Due				\$ 385.12

DFS ACCEPTANCE
Post Office Box 5292
Carol Stream, IL 60197

Mat'l Recd	9-11-12
Acct # - Pk #	747 1
OK - FA	<i>[Signature]</i>
OK to Pay	<i>[Signature]</i>

Battery replacement for Debut
I.T. Spare

Miguel Watson
Customer Service Coordinator
Dell Financial Services



ACFE Report to the Nations

	2010	2012
Annual Revenues lost to Fraud	5%	5%
Median Loss per incident	\$160,000	\$140,000
Primary factor of loss	Lack of internal controls	Lack of internal controls
Typical scheme time duration	18 months	18 months
Clean employment histories	85% of fraudsters	87% of fraudsters
Typical occurrences of fraud	Asset misappropriation	Asset misappropriation
Percentage of Asset Misappropriation	90% of cases	87% of cases



Fraud Subcategories

Asset Misappropriation Sub-Categories

Category	Description	Examples	Number of Cases	Percent of All Cases	Median Loss
SCHEMES INVOLVING THEFT OF CASH RECEIPTS					
Skimming	Any scheme in which cash is stolen from an organization <i>before</i> it is recorded on the organization's books and records	<ul style="list-style-type: none"> Employee accepts payment from a customer but does not record the sale and instead pockets the money 	203	14.6%	\$58,000
Cash Larceny	Any scheme in which cash is stolen from an organization <i>after</i> it has been recorded on the organization's books and records	<ul style="list-style-type: none"> Employee steals cash and checks from daily receipts before they can be deposited in the bank 	152	11.0%	\$54,000
SCHEMES INVOLVING FRAUDULENT DISBURSEMENTS OF CASH					
Billing	Any scheme in which a person causes his or her employer to issue a payment by submitting invoices for fictitious goods or services, inflated invoices or invoices for personal purchases	<ul style="list-style-type: none"> Employee creates a shell company and bills employer for services not actually rendered Employee purchases personal items and submits an invoice to employer for payment 	346	24.9%	\$100,000
Expense Reimbursements	Any scheme in which an employee makes a claim for reimbursement of fictitious or inflated business expenses	<ul style="list-style-type: none"> Employee files fraudulent expense report, claiming personal travel, nonexistent meals, etc. 	201	14.5%	\$26,000



Fraud Subcategories

Check Tampering	Any scheme in which a person steals his or her employer's funds by intercepting, forging or altering a check drawn on one of the organization's bank accounts	<ul style="list-style-type: none"> Employee steals blank company checks and makes them out to himself or an accomplice Employee steals an outgoing check to a vendor and deposits it into his or her own bank account 	165	11.9%	\$143,000
Payroll	Any scheme in which an employee causes his or her employer to issue a payment by making false claims for compensation	<ul style="list-style-type: none"> Employee claims overtime for hours not worked Employee adds ghost employees to the payroll 	129	9.3%	\$48,000
Cash Register Disbursements	Any scheme in which an employee makes false entries on a cash register to conceal the fraudulent removal of cash	<ul style="list-style-type: none"> Employee fraudulently voids a sale on his or her cash register and steals the cash 	50	3.6%	\$25,000
OTHER ASSET MISAPPROPRIATION SCHEMES					
Misappropriation of Cash on Hand	Any scheme in which the perpetrator misappropriates cash kept on hand at the victim organization's premises	<ul style="list-style-type: none"> Employee steals cash from a company vault 	164	11.8%	\$20,000
Non-Cash Misappropriations	Any scheme in which an employee steals or misuses non-cash assets of the victim organization	<ul style="list-style-type: none"> Employee steals inventory from a warehouse or storeroom Employee steals or misuses confidential customer financial information 	239	17.2%	\$58,000



Occupational Frauds by Industry

Industry of Victim Organizations (Sorted by Median Loss)			
Industry	Number of Cases	Percent of Cases	Median Loss
Mining	9	0.7%	\$500,000
Real Estate	28	2.0%	\$375,000
Construction	47	3.4%	\$300,000
Oil and Gas	44	3.2%	\$250,000
Banking and Financial Services	229	16.7%	\$232,000
Manufacturing	139	10.1%	\$200,000
Health Care	92	6.7%	\$200,000
Transportation and Warehousing	36	2.6%	\$180,000
Services (Other)	48	3.5%	\$150,000
Communications and Publishing	9	0.7%	\$150,000
Other	7	0.5%	\$150,000
Telecommunications	43	3.1%	\$135,000
Services (Professional)	55	4.0%	\$115,000
Agriculture, Forestry, Fishing and Hunting	20	1.5%	\$104,000
Government and Public Administration	141	10.3%	\$100,000
Retail	83	6.1%	\$100,000
Technology	38	2.8%	\$100,000
Insurance	78	5.7%	\$95,000
Religious, Charitable or Social Services	54	3.9%	\$85,000
Arts, Entertainment and Recreation	32	2.3%	\$71,000
Wholesale Trade	27	2.0%	\$50,000
Utilities	24	1.8%	\$38,000
Education	88	6.4%	\$36,000

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Anatomy of a “Fraudster”

- Male – 55% of reported occurrences in US
- Median loss:
 - Males - \$200,000
 - Females - \$91,000
- Between 31 and 45 years – 54% of occurrences
- First Time Offender – over 87% have no prior record
- Long-term employees = larger frauds



Register Scheme

- Issue
 - Unusual entries to inventory

- Red flags
 - Lack of segregation of duties
 - Controller abruptly quit when (and left town) when questioned about journal entries

<u>Entry No.</u>	<u>Date</u>	<u>Debit Account</u>	<u>Account Name / Type</u>	<u>Amount</u>	<u>Entry Description</u>
1000000647	4/3/2009	2901.000.000	Gift Card Liability / Liability	\$ 800.00	MC/VISA
1000000648	4/9/2009	2901.000.000	Gift Card Liability / Liability	\$ 800.00	MC/VISA
1000000649	4/21/2009	2128.000.000	UnVouchered Payables / Liability	\$ 1,500.00	MC/VISA
1000000651	4/28/2009	2128.000.000	UnVouchered Payables / Liability	\$ 400.00	MC/VISA
1000000657	5/5/2009	2128.000.000	UnVouchered Payables / Liability	\$ 400.00	MC/VISA
1000000658	5/14/2009	2128.000.000	UnVouchered Payables / Liability	\$ 200.00	MC/VISA
1000000663	6/5/2009	2901.000.000	Gift Card Liability / Liability	\$ 324.50	MC/VISA
1000000664	6/8/2009	2901.000.000	Gift Card Liability / Liability	\$ 150.00	MC/VISA
1000000665	6/19/2009	2901.000.000	Gift Card Liability / Liability	\$ 200.00	MC/VISA
1000000712	7/1/2009	1131.020.001	Inventory / Asset	\$ 324.50	MC/VISA
1000000713	7/3/2009	1131.018.001	Inventory / Asset	\$ 200.00	MC/VISA
1000000715	7/7/2009	1131.004.001	Inventory / Asset	\$ 250.00	MC/VISA
1000000716	7/13/2009	1131.007.001	Inventory / Asset	\$ 300.00	MC/VISA
1000000717	7/17/2009	1131.007.001	Inventory / Asset	\$ 200.00	MC/VISA
1000000718	7/24/2009	1131.018.001	Inventory / Asset	\$ 325.00	MC/VISA
1000000719	7/30/2009	1131.017.001	Inventory / Asset	\$ 633.50	MC/VISA
1000000720	8/5/2009	1131.015.001	Inventory / Asset	\$ 250.00	MC/VISA
1000000721	8/10/2009	1131.012.001	Inventory / Asset	\$ 520.00	MC/VISA
1000000722	8/15/2009	1131.020.001	Inventory / Asset	\$ 220.00	MC/VISA
1000000723	8/18/2009	1131.020.001	Inventory / Asset	\$ 150.00	MC/VISA
1000000724	8/20/2009	1131.018.001	Inventory / Asset	\$ 212.50	MC/VISA
1000000725	8/25/2009	1131.012.001	Inventory / Asset	\$ 500.00	MC/VISA
1000000726	8/27/2009	1131.007.001	Inventory / Asset	\$ 300.00	MC/VISA
1000000727	9/1/2009	1131.007.001	Inventory / Asset	\$ 600.00	MC/VISA
1000000728	9/4/2009	1131.015.001	Inventory / Asset	\$ 450.50	MC/VISA
1000000729	9/14/2009	1131.004.001	Inventory / Asset	\$ 500.00	MC/VISA
1000000730	9/17/2009	1131.018.001	Inventory / Asset	\$ 350.00	MC/VISA
1000000731	9/21/2009	1131.017.001	Inventory / Asset	\$ 200.00	MC/VISA
1000000732	9/23/2009	1131.012.001	Inventory / Asset	\$ 300.00	MC/VISA
1000000733	9/25/2009	1131.007.001	Inventory / Asset	\$ 200.00	MC/VISA
1000000734	9/26/2009	1131.015.001	Inventory / Asset	\$ 400.00	MC/VISA
1000000735	10/6/2009	1131.004.001	Inventory / Asset	\$ 500.00	MC/VISA
1000000736	10/9/2009	1131.012.001	Inventory / Asset	\$ 500.00	MC/VISA
1000000737	10/11/2009	1131.015.001	Inventory / Asset	\$ 400.00	MC/VISA
1000000738	10/19/2009	1131.007.001	Inventory / Asset	\$ 300.00	MC/VISA
1000000739	10/22/2009	1131.020.001	Inventory / Asset	\$ 400.00	MC/VISA
1000000740	10/26/2009	1131.012.001	Inventory / Asset	\$ 550.00	MC/VISA
1000000741	10/29/2009	1131.004.001	Inventory / Asset	\$ 800.00	MC/VISA
1000000742	10/30/2009	1131.007.001	Inventory / Asset	\$ 255.00	MC/VISA
1000000743	11/3/2009	1131.010.001	Inventory / Asset	\$ 1,000.00	MC/VISA
1000000744	11/6/2009	1131.015.001	Inventory / Asset	\$ 500.00	MC/VISA
1000000745	11/9/2009	1131.020.001	Inventory / Asset	\$ 500.00	MC/VISA
1000000746	11/10/2009	1131.018.001	Inventory / Asset	\$ 500.00	MC/VISA
1000000747	11/13/2009	1131.012.001	Inventory / Asset	\$ 600.00	MC/VISA
1000000748	11/20/2009	1131.004.001	Inventory / Asset	\$ 600.00	MC/VISA
1000000749	11/23/2009	1131.007.001	Inventory / Asset	\$ 600.00	MC/VISA
1000000750	11/25/2009	1131.012.001	Inventory / Asset	\$ 500.00	MC/VISA
1000000751	11/30/2009	1131.015.001	Inventory / Asset	\$ 500.00	MC/VISA
1000000752	12/2/2009	1131.018.001	Inventory / Asset	\$ 600.00	MC/VISA

Transaction Detail

Tran Type	Credit Card #	Type	Exp	Result	Code	Amount\$	Item	Batch	Approval	Keyed	Receipt No	Clerk	Date	Time
CCPurchase	XXXXXXXXXXXX1520	AMEX	0213	AP	000	\$514.90	0012	1971	594499	Swiped			03/28/09	16:49:39
CCPurchase	XXXXXXXXXXXX2114	VISA	0709	AP	000	\$50.00	0001	1972	557392	Swiped	RC00001000053741	KT	03/30/09	10:29:11
CCPurchase	XXXXXXXXXXXX3385	VISA	0709	AP	000	\$50.00	0002	1972	557405	Swiped	RC00001000053741	KT	03/30/09	10:29:20
CCPurchase	XXXXXXXXXXXX2380	MC	0312	AP	000	\$1014.95	0003	1972	934039	Swiped	RC00001000053744	RJ	03/30/09	11:03:29
CCPurchase	XXXXXXXXXXXX8037	AMEX	0110	AP	000	\$125.44	0004	1972	504021	Swiped	RC00001000053745	BL	03/30/09	11:09:44
CCPurchase	XXXXXXXXXXXX8961	VISA	1010	AP	000	\$25.44	0005	1972	05738C	Swiped	RC00001000053748	BL	03/30/09	14:09:40
CCPurchase	XXXXXXXXXXXX9420	MC	0210	AP	000	\$147.13	0006	1972	R02558	Swiped	RC00001000053749	BL	03/30/09	14:36:56
CCPurchase	XXXXXXXXXXXX1186	MC	0611	AP	000	\$589.36	0007	1972	05587B	Swiped	RC00001000053751	KT	03/30/09	17:58:51
CCPurchase	XXXXXXXXXXXX2634	VISA	0111	AP	000	\$197.16	0008	1972	030435	Swiped	RC00001000053753	BL	03/30/09	20:19:11
CCPurchase	XXXXXXXXXXXX8576	VISA	0112	AP	000	\$218.89	0001	1973	81218C	Swiped	RC00001000053754	KT	03/31/09	11:23:26
CCPurchase	XXXXXXXXXXXX2482	MC	0312	AP	000	\$727.96	0002	1973	002914	Swiped	RC00001000053755	KT	03/31/09	11:29:14
CCPurchase	XXXXXXXXXXXX9330	VISA	0711	AP	000	\$26.32	0003	1973	061413	Swiped	RC00001000053756	RJ	03/31/09	13:14:16
CCPurchase	XXXXXXXXXXXX2137	MC	1111	AP	000	\$41.13	0004	1973	309907	Swiped	RC00001000053758	RJ	03/31/09	14:43:56
CCPurchase	XXXXXXXXXXXX7808	MC	0611	AP	000	\$158.63	0005	1973	115561	Swiped	RC00001000053759	RJ	03/31/09	14:56:34
CCPurchase	XXXXXXXXXXXX1002	VISA	0909	AP	000	\$164.92	0006	1973	03906D	Swiped	RC00001000053760	RJ	03/31/09	15:01:30
CCPurchase	XXXXXXXXXXXX7867	MC	0112	AP	000	\$175.59	0007	1973	96138P	Swiped	RC00001000053761	RJ	03/31/09	18:34:14
CCPurchase	XXXXXXXXXXXX8595	MC	0310	AP	000	\$184.97	0008	1973	13873B	Swiped	RC00001000053762	RJ	03/31/09	19:01:54
CCReturn	XXXXXXXXXXXX3325	MC	0213	AP	000	(\$800.00)	0001	1974	000098	Keyed			04/01/09	08:58:57
CCPurchase	XXXXXXXXXXXX7068	VISA	1111	AP	000	\$76.32	0002	1974	832623	Swiped	RC00001000053763	BL	04/01/09	12:58:25
CCPurchase	XXXXXXXXXXXX4315	VISA	0410	AP	000	\$162.07	0003	1974	20766C	Swiped	RC00001000053764	BL	04/01/09	17:13:56
CCPurchase	XXXXXXXXXXXX3759	MC	0909	AP	000	\$100.00	0004	1974	00717Z	Swiped	RC00001000053765	BL	04/01/09	17:43:57
CCPurchase	XXXXXXXXXXXX3680	MC	0510	AP	000	\$40.34	0005	1974	611146	Swiped	RC00001000053766	BL	04/01/09	19:27:33
CCPurchase	XXXXXXXXXXXX3601	AMEX	0909	AP	000	\$139.50	0006	1974	524567	Swiped	RC00001000053767	KT	04/01/09	19:31:57
CCPurchase	XXXXXXXXXXXX4733	DISC	0709	AP	000	\$102.18	0007	1974	001135	Swiped	RC00001000053768	TCW	04/01/09	20:00:15
CCPurchase	XXXXXXXXXXXX5427	VISA	0910	AP	000	\$371.95	0001	1975	60131C	Swiped	RC00001000053769	BL	04/02/09	09:38:21
CCPurchase	XXXXXXXXXXXX2361	AMEX	0112	AP	000	\$239.30	0002	1975	540073	Swiped	RC00001000053770	KT	04/02/09	11:00:33
CCReturn	XXXXXXXXXXXX6992	AMEX	0211	AP	000	(\$119.89)	0003	1975	000051	Keyed	RC00001000053772	RJ	04/02/09	11:27:35
CCPurchase	XXXXXXXXXXXX5254	VISA	0310	AP	000	\$345.03	0004	1975	02851A	Swiped	RC00001000053773	KT	04/02/09	12:04:28
CCPurchase	XXXXXXXXXXXX6921	VISA	0809	AP	000	\$72.08	0005	1975	03511C	Swiped	RC00001000053774	RJ	04/02/09	12:04:50
CCPurchase	XXXXXXXXXXXX2657	VISA	1209	AP	000	\$228.54	0006	1975	01519C	Swiped	RC00001000053775	BL	04/02/09	12:11:52
CCPurchase	XXXXXXXXXXXX9485	VISA	0412	AP	000	\$389.73	0007	1975	09578G	Swiped	RC00001000053777	RJ	04/02/09	13:04:00
CCPurchase	XXXXXXXXXXXX7913	AMEX	1111	AP	000	\$42.40	0008	1975	131771	Keyed	RC00001000053779	RJ	04/02/09	13:56:59
CCPurchase	XXXXXXXXXXXX5049	VISA	0111	AP	000	\$99.92	0009	1975	01562C	Swiped	RC00001000053780	RJ	04/02/09	16:16:54
CCPurchase	XXXXXXXXXXXX8841	VISA	1209	AP	000	\$508.75	0010	1975	51206D	Swiped	RC00001000053781	RJ	04/02/09	16:46:15
CCPurchase	XXXXXXXXXXXX5858	VISA	0709	AP	000	\$446.53	0011	1975	51940B	Swiped	RC00001000053782	KT	04/02/09	17:08:32
CCPurchase	XXXXXXXXXXXX2889	MC	1111	AP	000	\$90.10	0012	1975	809123	Swiped	RC00001000053783	BL	04/02/09	17:45:09
CCPurchase	XXXXXXXXXXXX9399	VISA	0312	AP	000	\$1249.21	0013	1975	002616	Swiped	RC00001000053784	BL	04/02/09	19:56:11
CCPurchase	XXXXXXXXXXXX3792	VISA	1209	AP	000	\$4.66	0001	1976	80302D	Keyed		RJ	04/03/09	09:32:12
CCPurchase	XXXXXXXXXXXX7876	AMEX	0211	AP	000	\$209.49	0002	1976	500698	Swiped	RC00001000053786	RJ	04/03/09	11:26:37
CCPurchase	XXXXXXXXXXXX5238	VISA	0611	AP	000	\$93.28	0003	1976	05314B	Swiped	RC00001000053787	BL	04/03/09	13:58:44
CCPurchase	XXXXXXXXXXXX4692	MC	0312	AP	000	\$504.56	0004	1976	065053	Swiped	RC00001000053789	KT	04/03/09	17:50:53

Transaction Detail

Tran Type	Credit Card #	Type	Exp	Result	Code	Amount\$	Item	Batch	Approval	Keyed	Receipt No	Clerk	Date	Time
CCPurchase	XXXXXXXXXXXX1520	AMEX	0213	AP	000	\$514.90	0012	1971	594499	Swiped			03/28/09	16:49:39
CCPurchase	XXXXXXXXXXXX2114	VISA	0709	AP	000	\$50.00	0001	1972	557392	Swiped	RC00001000053741	KT	03/30/09	10:29:11
CCPurchase	XXXXXXXXXXXX3385	VISA	0709	AP	000	\$50.00	0002	1972	557405	Swiped	RC00001000053741	KT	03/30/09	10:29:20
CCPurchase	XXXXXXXXXXXX2380	MC	0312	AP	000	\$1014.95	0003	1972	934039	Swiped	RC00001000053744	RJ	03/30/09	11:03:29
CCPurchase	XXXXXXXXXXXX8037	AMEX	0110	AP	000	\$125.44	0004	1972	504021	Swiped	RC00001000053745	BL	03/30/09	11:09:44
CCPurchase	XXXXXXXXXXXX8961	VISA	1010	AP	000	\$25.44	0005	1972	05738C	Swiped	RC00001000053748	BL	03/30/09	14:09:40
CCPurchase	XXXXXXXXXXXX9420	MC	0210	AP	000	\$147.13	0006	1972	R02558	Swiped	RC00001000053749	BL	03/30/09	14:36:56
CCPurchase	XXXXXXXXXXXX1186	MC	0611	AP	000	\$589.36	0007	1972	05587B	Swiped	RC00001000053751	KT	03/30/09	17:58:51
CCPurchase	XXXXXXXXXXXX2634	VISA	0111	AP	000	\$197.16	0008	1972	030435	Swiped	RC00001000053753	BL	03/30/09	20:19:11
CCPurchase	XXXXXXXXXXXX8576	VISA	0112	AP	000	\$218.89	0001	1973	81218C	Swiped	RC00001000053754	KT	03/31/09	11:23:26
CCPurchase	XXXXXXXXXXXX2482	MC	0312	AP	000	\$727.96	0002	1973	002914	Swiped	RC00001000053755	KT	03/31/09	11:29:14
XXXXXXXX7867	MC	0112	AP	000	\$175.59	0007	1973	96138P	Swiped	RC0000				
XXXXXXXX8595	MC	0310	AP	000	\$184.97	0008	1973	13873B	Swiped	RC0000				
XXXXXXXX3325	MC	0213	AP	000	(\$800.00)	0001	1974	000098	Keyed					
XXXXXXXX7068	VISA	1111	AP	000	\$76.32	0002	1974	832623	Swiped	RC0000				
XXXXXXXX4315	VISA	0410	AP	000	\$162.07	0003	1974	20766C	Swiped	RC0000				
XXXXXXXX3759	MC	0909	AP	000	\$100.00	0004	1974	00717Z	Swiped	RC0000				
XXXXXXXX3680	MC	0510	AP	000	\$40.34	0005	1974	611146	Swiped	RC0000				
XXXXXXXX3601	AMEX	0909	AP	000	\$139.50	0006	1974	524567	Swiped	RC0000				
XXXXXXXXXXXX3254	VISA	0510	AP	000	\$345.05	0004	1975	02057K	Swiped					
CCPurchase	XXXXXXXXXXXX2657	VISA	1209	AP	000	\$228.54	0006	1975	01519C	Swiped	RC00001000053775	BL	04/02/09	12:11:52
CCPurchase	XXXXXXXXXXXX9485	VISA	0412	AP	000	\$389.73	0007	1975	09578G	Swiped	RC00001000053777	RJ	04/02/09	13:04:00
CCPurchase	XXXXXXXXXXXX7913	AMEX	1111	AP	000	\$42.40	0008	1975	131771	Keyed	RC00001000053779	RJ	04/02/09	13:56:59
CCPurchase	XXXXXXXXXXXX5049	VISA	0111	AP	000	\$99.92	0009	1975	01562C	Swiped	RC00001000053780	RJ	04/02/09	16:16:54
CCPurchase	XXXXXXXXXXXX8841	VISA	1209	AP	000	\$508.75	0010	1975	51206D	Swiped	RC00001000053781	RJ	04/02/09	16:46:15
CCPurchase	XXXXXXXXXXXX5858	VISA	0709	AP	000	\$446.53	0011	1975	51940B	Swiped	RC00001000053782	KT	04/02/09	17:08:32
CCPurchase	XXXXXXXXXXXX2889	MC	1111	AP	000	\$90.10	0012	1975	809123	Swiped	RC00001000053783	BL	04/02/09	17:45:09
CCPurchase	XXXXXXXXXXXX9399	VISA	0312	AP	000	\$1249.21	0013	1975	002616	Swiped	RC00001000053784	BL	04/02/09	19:56:11
CCPurchase	XXXXXXXXXXXX3792	VISA	1209	AP	000	\$4.66	0001	1976	80302D	Keyed		RJ	04/03/09	09:32:12
CCPurchase	XXXXXXXXXXXX7876	AMEX	0211	AP	000	\$209.49	0002	1976	500698	Swiped	RC00001000053786	RJ	04/03/09	11:26:37
CCPurchase	XXXXXXXXXXXX5238	VISA	0611	AP	000	\$93.28	0003	1976	05314B	Swiped	RC00001000053787	BL	04/03/09	13:58:44
CCPurchase	XXXXXXXXXXXX4692	MC	0312	AP	000	\$504.56	0004	1976	065053	Swiped	RC00001000053789	KT	04/03/09	17:50:53

Type	Credit Card Number	CC	Transaction Amount	Input Method	Date	Time	Type	Credit Card Number	CC	Transaction Amount	Input Method	Date	Time	Type	Credit Card Number	CC	Transaction Amount	Input Method	Date	Time	
Return	XXXXXXXXXXXX3325	MC	(800.00)	Keyed	04/01/09	08:58:57	Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	01/04/10	16:44:40	Return	XXXXXXXXXXXX3325	MC	(300.00)	Keyed	07/16/10	17:08:39	
Return	XXXXXXXXXXXX3325	MC	(800.00)	Keyed	04/07/09	15:13:55	Return	XXXXXXXXXXXX3325	MC	(300.00)	Keyed	01/05/10	18:10:17	Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	07/16/10	17:09:07	
Return	XXXXXXXXXXXX3325	MC	(1,500.00)	Keyed	04/17/09	13:54:33	Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	01/06/10	16:07:56	Return	XXXXXXXXXXXX3325	MC	(275.55)	Keyed	07/22/10	17:31:35	
Return	XXXXXXXXXXXX3325	MC	(800.00)	Keyed	04/24/09	13:02:41	Return	XXXXXXXXXXXX3325	MC	(1,200.00)	Keyed	01/11/10	10:33:52	Return	XXXXXXXXXXXX1975	VISA	(245.58)	Keyed	07/26/10	17:10:12	
Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	05/05/09	10:19:14	Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	01/14/10	16:33:24	Return	XXXXXXXXXXXX3325	MC	(284.42)	Keyed	07/26/10	17:11:24	
Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	05/14/09	20:28:10	Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	01/16/10	18:31:13	Return	XXXXXXXXXXXX1975	VISA	(275.48)	Keyed	07/31/10	21:02:55	
Return	XXXXXXXXXXXX3325	MC	(324.50)	Keyed	06/05/09	09:17:21	Return	XXXXXXXXXXXX3325	MC	(300.00)	Keyed	01/22/10	00:08:11	Return	XXXXXXXXXXXX3325	MC	(274.52)	Keyed	07/31/10	21:03:38	
Return	XXXXXXXXXXXX3325	MC	(150.00)	Keyed	06/08/09	10:28:34	Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	01/22/10	21:17:21	Return	XXXXXXXXXXXX1975	VISA	(285.30)	Keyed	08/03/10	18:55:51	
Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	06/19/09	16:58:35	Return	XXXXXXXXXXXX3325	MC	(300.00)	Keyed	01/23/10	12:14:49	Return	XXXXXXXXXXXX1975	VISA	(285.50)	Keyed	08/05/10	22:27:57	
Return	XXXXXXXXXXXX3325	MC	(324.50)	Keyed	06/30/09	14:37:03	Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	01/27/10	21:48:54	Return	XXXXXXXXXXXX3325	MC	(284.50)	Keyed	08/05/10	22:29:00	
Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	07/03/09	10:46:30	Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	01/29/10	11:57:55	Return	XXXXXXXXXXXX3325	MC	(255.75)	Keyed	08/06/10	16:13:21	
Return	XXXXXXXXXXXX3325	MC	(250.00)	Keyed	07/07/09	13:54:15	Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	01/30/10	22:20:16	Return	XXXXXXXXXXXX3325	MC	(285.40)	Keyed	08/14/10	19:25:28	
Return	XXXXXXXXXXXX3325	MC	(300.00)	Keyed	07/13/09	16:30:42	Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	02/05/10	20:08:50	Return	XXXXXXXXXXXX1975	VISA	(284.60)	Keyed	08/14/10	19:25:56	
Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	07/17/09	16:35:34	Return	XXXXXXXXXXXX3325	MC	(692.00)	Keyed	02/17/10	15:09:10	Return	XXXXXXXXXXXX3325	MC	(250.00)	Keyed	08/18/10	17:38:55	
Return	XXXXXXXXXXXX3325	MC	(325.00)	Keyed	07/24/09	17:14:50	Return	XXXXXXXXXXXX3325	MC	(300.00)	Keyed	02/19/10	14:59:33	Return	XXXXXXXXXXXX3325	MC	(246.25)	Keyed	08/25/10	21:29:36	
Return	XXXXXXXXXXXX3325	MC	(633.50)	Keyed	07/30/09	12:41:55	Return	XXXXXXXXXXXX3325	MC	(300.00)	Keyed	02/20/10	18:29:58	Return	XXXXXXXXXXXX1975	VISA	(267.25)	Keyed	08/25/10	21:30:18	
Return	XXXXXXXXXXXX3325	MC	(250.00)	Keyed	08/05/09	15:36:27	Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	02/23/10	17:10:42	Return	XXXXXXXXXXXX3325	MC	(289.00)	Keyed	08/28/10	18:53:13	
Return							Return							Return	XXXXXXXXXXXX1975	VISA	(111.00)	Keyed	08/28/10	18:53:57	
Return			(400.00)	Keyed			Return							Return	XXXXXXXXXXXX3325	MC	(285.00)	Keyed	09/03/10	15:41:22	
Return							Return							Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	09/15/10	22:26:38	
Return							Return							Return	XXXXXXXXXXXX3325	MC	(250.00)	Keyed	09/24/10	19:24:02	
Return							Return							Return	XXXXXXXXXXXX1975	VISA	(200.00)	Keyed	09/24/10	19:24:45	
Return			(400.00)	Keyed			Return							Return	XXXXXXXXXXXX3325	MC	(250.00)	Keyed	09/27/10	23:09:15	
Return							Return							Return	XXXXXXXXXXXX1975	VISA	(245.50)	Keyed	09/30/10	20:13:27	
Return			(400.00)	Keyed			Return							Return	XXXXXXXXXXXX3325	MC	(225.50)	Keyed	10/04/10	16:09:51	
Return							Return							Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	10/09/10	09:59:34	
Return			(400.00)	Keyed			Return							Return	XXXXXXXXXXXX1975	VISA	(150.00)	Keyed	10/11/10	23:09:34	
Return							Return							Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	10/14/10	19:18:55	
Return			(300.00)	Keyed			Return							Return	XXXXXXXXXXXX3325	MC	(300.00)	Keyed	10/19/10	19:03:02	
Return							Return							Return	XXXXXXXXXXXX1975	VISA	(200.00)	Keyed	10/23/10	11:29:31	
Return			(400.00)	Keyed			Return							Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	10/27/10	20:47:48	
Return							Return							Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	11/08/10	16:43:25	
Return			(400.00)	Keyed			Return							Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	11/09/10	21:43:17	
Return							Return							Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	11/11/10	18:05:40	
Return							Return							Return	XXXXXXXXXXXX1975	VISA	(475.33)	Keyed	11/24/10	09:29:06	
Return			(300.00)	Keyed			Return							Return	XXXXXXXXXXXX1975	VISA	(434.67)	Keyed	12/02/10	10:30:10	
Return							Return							Return	XXXXXXXXXXXX1975	VISA	(631.18)	Keyed	12/04/10	20:02:10	
Return							Return							Return	XXXXXXXXXXXX1975	VISA	(395.15)	Keyed	12/08/10	10:12:41	
Return			(300.00)	Keyed			Return							Return	XXXXXXXXXXXX3325	MC	(268.75)	Keyed	12/10/10	10:12:47	
Return							Return							Return	XXXXXXXXXXXX1975	VISA	(489.90)	Keyed	12/15/10	09:50:28	
Return							Return							Return	XXXXXXXXXXXX3325	MC	(293.36)	Keyed	12/18/10	16:59:50	
Return	XXXXXXXXXXXX3325	MC	(1,000.00)	Keyed	11/05/09	12:41:05	Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	05/19/10	14:55:52	Return							
Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	11/09/09	09:49:00	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	11/10/09	15:58:22	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(600.00)	Keyed	11/13/09	09:50:59	Return	1975	VISA					Return			(598.25)	Keyed			
Return	XXXXXXXXXXXX3325	MC	(600.00)	Keyed	11/20/09	16:39:07	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(600.00)	Keyed	11/23/09	20:15:31	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	11/25/09	10:26:49	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	11/30/09	18:07:03	Return	1975	VISA					Return			(615.75)	Keyed			
Return	XXXXXXXXXXXX3325	MC	(600.00)	Keyed	12/02/09	15:20:08	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	12/07/09	16:45:02	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	12/08/09	12:17:39	Return	3325	MC					Return			(1,425.25)	Keyed			
Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	12/09/09	11:44:34	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(400.00)	Keyed	12/12/09	11:36:45	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(600.00)	Keyed	12/15/09	21:00:11	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(600.00)	Keyed	12/21/09	11:20:40	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	12/22/09	21:23:28	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(600.00)	Keyed	12/23/09	09:51:52	Return							Return							
Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	12/26/09	21:32:54	Return	XXXXXXXXXXXX3325	MC	(200.00)	Keyed	07/15/10	17:31:11	Return	XXXXXXXXXXXX3325	MC	(1,425.25)	Keyed	02/17/11	19:18:55	
Return	XXXXXXXXXXXX3325	MC	(500.00)	Keyed	12/31/09	13:45:26	Return	XXXXXXXXXXXX3325	MC	(100.00)	Keyed	07/15/10	17:31:31	Return			(568,416.78)				


Food Service Scheme

POS system

REGISTER	DATE	TOTAL_COUNTED	P&M Notes	Actual Deposit Amount	Difference
106	08/28/12	30.00	Missing		(30.00)
105	09/03/12	3.00	Missing		(3.00)
199	09/10/12	1.50	Missing		(1.50)
106	09/17/12	495.60	Missing		(495.60)
199	09/17/12	9.43	Missing		(9.43)
105	09/21/12	343.75	Missing		(343.75)
203	09/24/12	22.50	Missing		(22.50)
102	10/10/12	116.05	Missing		(116.05)
105	10/15/12	311.95	Known missing \$311.95		(311.95)
206	10/25/12	102.00	Known missing \$102.00		(102.00)
105	10/31/12	307.50	Known missing \$307.50		(307.50)
306	11/02/12	246.00	Missing		(246.00)
103	11/07/12	679.95	Missing		(679.95)
105	11/12/12	347.50	Missing		(347.50)
106	11/16/12	257.75	Missing	\$ 5.00	(252.75)
206	11/26/12	126.75	Missing		(126.75)
106	11/27/12	385.70	Missing	\$ 70.25	(315.45)
106	11/28/12	180.35	Missing	\$ 8.60	(171.75)
103	11/29/12	232.50	Missing		(232.50)
106	12/03/12	492.00	Known missing \$494.55	\$ 2.45	(489.55)
104	12/05/12	76.50	Known missing \$76.50		(76.50)
105	12/07/12	133.75	Known missing \$133.75		(133.75)
406	12/12/12	110.90	Known missing \$110.90		(110.90)
105	12/12/12	193.60	Known missing \$178.60		(193.60)
101	12/13/12	144.15	Known missing \$144.15		(144.15)
106	12/17/12	366.70	Known missing \$362.60	\$ 4.10	(362.60)
106	12/18/12	389.00	Known missing \$378.20		(389.00)
106	12/20/12	282.85	Known missing \$225.50	\$ 7.35	(275.50)
105	12/20/12	232.00	Missing		(232.00)
102	01/09/13	180.80	Known missing \$180.80		(180.80)
103	01/10/13	334.55	Known missing \$334.55		(334.55)
TOTAL		\$ 7,136.58			\$ (7,038.83)

Accounting system

Expense Report Scheme

 **Transaction Details**
Prepared for [REDACTED]
Account Number
XXX [REDACTED]

03/27/2010	Sat	HYATT HOTELS DFW 6700FW AIRPORT	466.47	TOTAL
03/27/2010	Sat	J ALEXANDERS 000172LIVONIA	66.07	
03/27/2010	Sat	MITCHELLS FISH MKT 7LIVONIA	176.77	
03/27/2010	Sat	RADISSON HOTEL FT WOFORT WORTH	689.47	
03/25/2010	Thu	BOB'S STEAK & CHOP HFORT WORTH	206.87	

Expense Report Scheme



Transaction Details

Prepared for

Account Number

XXX

03/27/2010	Sat	HYATT HOTELS DFW 6700FW AIRPORT
03/27/2010	Sat	J ALEXANDERS 000172LIVONIA
03/27/2010	Sat	MITCHELLS FISH MKT 7LIVONIA
03/27/2010	Sat	RADISSON HOTEL FT WOFORT WORTH
03/25/2010	Thu	BOB'S STEAK & CHOP HFORT WORTH

468.47	H
68.07	M
176.77	M
689.47	H
206.67	M



Expense Report Scheme

Mitchell's Fish Market
17600 Haggerty Road
Livonia, Michigan 48152
734-464-3603

Server: Kim
10:28 PM
B2/1

DOB: 03/27/1980
03/27/2010
2/20055

AMEX
Card #XXX: [REDACTED]
Merchant: card present [REDACTED]
Approval: [REDACTED]

Amount: 148.77
+ Tip: 28.00
= Total: 176.77

X [REDACTED]

Thank You For Your Business
Visit Our Website at:
www.MitchellsFishMarket.com
Coming in April:
Flavors of The Pacific Rim
Join us for Easter

Restaurant Copy

Expense Report Scheme

Transaction Details					
		Prepared for			
		Account Number			
11/14/2011	Mon	MARRIOTT337V2SeaWatrSEATTLE	WA		1,168.16
11/14/2011	Mon	MARRIOTT337V2SeaWatrSEATTLE	WA		1,066.88
11/14/2011	Mon	MARRIOTT337V2SeaWatrSEATTLE	WA		2,174.55
11/10/2011	Thu	SHERATON SUITES WILMWILMINGTON	DE		262.90
11/10/2011	Thu	SHERATON SUITES WILMWILMINGTON	DE		262.90
11/10/2011	Thu	SHERATON SUITES WILMWILMINGTON	DE		262.90
11/10/2011	Thu	SHERATON SUITES WILMWILMINGTON	DE		262.90
11/10/2011	Thu	ANTHONY'S PIER66 BELSEATTLE	WA		650.40
11/04/2011	Fri	MARRIOTTJWINDI HIGHVINDIANAPOLIS	IN		305.21
11/02/2011	Wed	HILTON GARDEN INN DUDURHAM	NC		254.04
11/01/2011	Tue	EAGLE CHAUFFEURED SEGLEEN MILLS	PA		106.32
11/01/2011	Tue	SHERATON SUITES WILMWILMINGTON	DE		275.88
11/01/2011	Tue	VZWRLSS-IVRVN 3367098009220204			454.92
11/01/2011	Tue	WESTIN METROPOLITAN DETROIT	MI		352.26
10/30/2011	Sun	SHERATON SUITES WILMWILMINGTON	DE		949.40
09/24/2011	Sat	MARRIOTT 337345TACLRSA SANTA CLARA	CA		7,600.00

Check Scheme

Account Summary

05/01	Beginning Balance	\$44,183.84	Number of Days in Period	31
9	Checks	\$(100,604.98)		
5	Withdrawals / Debits	\$(2,288,654.04)		
4	Deposits / Credits	\$2,350,754.04		
05/31	Ending Balance	\$ 5,678.86		

Checks

9 checks totaling 100,604.98

* Indicates gap in check sequence i = Electronic Image s = Substitute Check

Number	Date Paid	Amount	Number	Date Paid	Amount	Number	Date Paid	Amount
507	05/01	8,675.00	513	05/03	4,500.00	517	05/18	24,200.00
511*	05/01	5,000.00	515*	05/02	12,504.68	518	05/15	7,500.00
512	05/05	4,060.00	516	05/09	4,985.75	519	05/17	29,179.55

Check Scheme

Account Summary

05/01 Beginning Balance
 9 Checks
 5 Withdrawals / Debits
 4 Deposits / Credits
 05/31 Ending Balance

\$44,183.84
 \$(100,604.98)
 \$(2,288,654.04)
 \$2,350,754.04
 \$ 5,678.86

\$44,183.84
 \$(100,604.98)
 \$(2,288,654.04)
 \$2,350,754.04
 \$ 5,678.86

Checks

* Indicates gap in check sequence i = Electronic Image s = Su

Number	Date Paid	Amount	Number
507	05/01	8,675.00	513
511*	05/01	5,000.00	515*
512	05/05	4,060.00	516

Amount

8,675.00
 5,000.00
 4,060.00

Amount
24,200.00
7,500.00
29,179.55

Check Scheme

05/31 BALANCE

15,678.86

CHECK--DATE-----AMOUNT-----TRACE	CHECK--DATE-----AMOUNT-----TRACE	CHECK--DATE-----AMOUNT-----TRACE
507 05/01 8,675.00 000600581170267	513 05/03 4,000.00 000165382619061	517 05/18 24,200.00 000600581554105
511 05/01 4,985.75 000165081450957	515 05/02 10,000.00 000165081061876	518 05/15 7,500.00 000165081659934
512 05/05 4,060.00 000600581783684	516 05/09 4,985.75 000165081902687	519 05/17 29,179.55 000165082325375

Checks

9 checks totaling 100,604.98

* Indicates gap in check sequence i = Electronic Image s = Substitute Check

Number	Date Paid	Amount	Number	Date Paid	Amount	Number	Date Paid	Amount
507	05/01	8,675.00	513	05/03	4,500.00	517	05/18	24,200.00
511*	05/01	5,000.00	515*	05/02	12,504.68	518	05/15	7,500.00
512	05/05	4,060.00	516	05/09	4,985.75	519	05/17	29,179.55

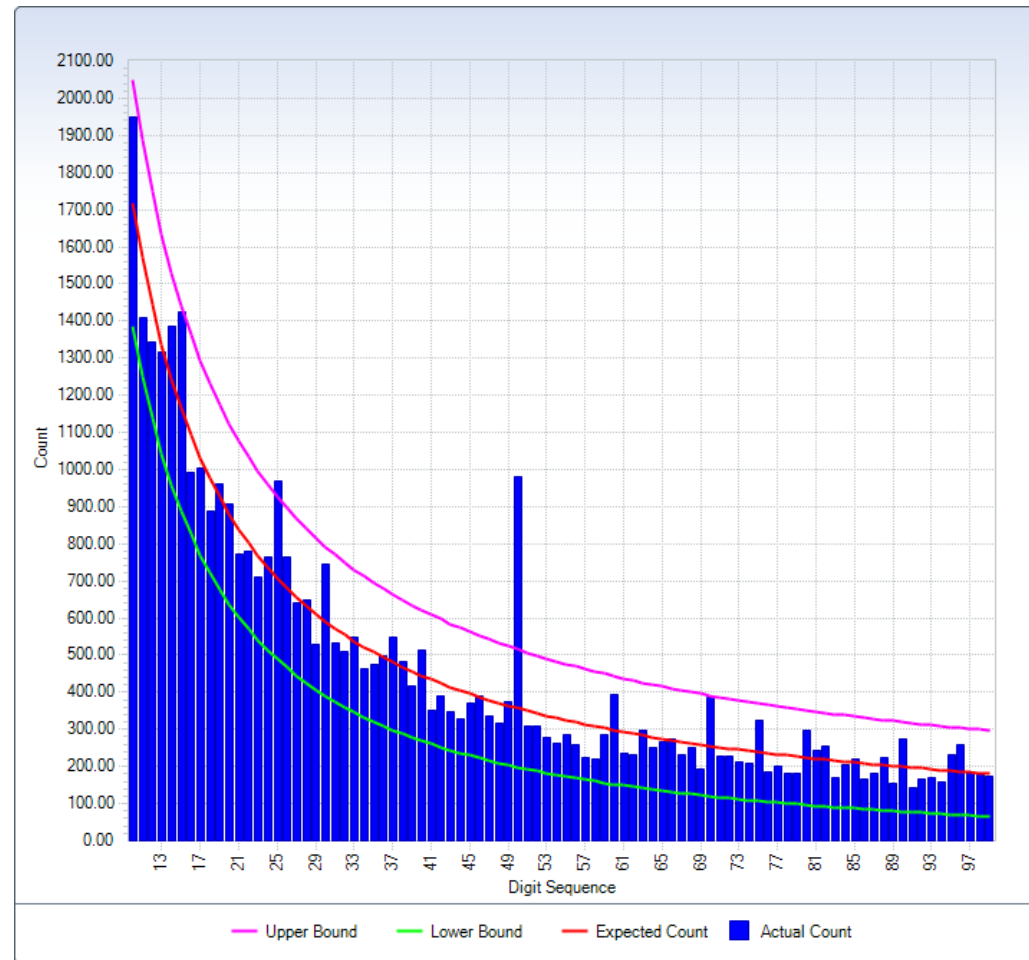


Benford's Law

- Definition
 - In any large, randomly produced set of natural numbers, such as tables of logarithms or corporate sales statistics, around 30 percent will begin with the digit 1, 18 percent with 2, and so on, with the smallest percentage beginning with 9.
 - The law is applied in analyzing the validity of statistics and financial records.



Benford's Law



CHECK	DATE	PAYEE	AMOUNT
48422	11/3/2006	Owner's Other Company #1	\$500,000.00
41966	1/14/2009	Owner's Other Company #2	\$50,684.45
38120	3/11/2008	Owner's Other Company #2	\$50,625.48
42173	2/13/2009	Owner's Other Company #2	\$50,558.68
46937	7/11/2006	Owner's Father's Company	\$50,536.00
44347	8/31/2009	Owner's Other Company #2	\$50,362.51
41839	12/17/2008	Owner's Other Company #2	\$50,341.67
43345	5/20/2009	Owner's Other Company #2	\$50,336.50
40759	2/3/2005	OWNER	\$50,000.00
41188	3/9/2005	OWNER	\$50,000.00
42320	6/15/2005	OWNER	\$50,000.00
42983	8/3/2005	OWNER	\$50,000.00
43231	9/2/2005	OWNER	\$50,000.00
43835	10/24/2005	OWNER	\$50,000.00
43836	10/24/2005	OWNER	\$50,000.00
44655	1/5/2006	OWNER	\$50,000.00
46074	5/1/2006	OWNER	\$50,000.00
46600	6/9/2006	OWNER	\$50,000.00
47512	8/29/2006	OWNER	\$50,000.00
47847	9/20/2006	OWNER	\$50,000.00
56291	8/27/2008	Owner's Other Company #2	\$5,000.00
58867	6/30/2009	Owner's Daughter #1	\$5,000.00
59522	9/29/2009	Owner's Daughter #1	\$5,000.00
60394	2/11/2010	Owner's Other Company #2	\$500.00
45037	2/2/2006	Owner's Other Company #2	\$50.50
49059	12/20/2006	OWNER	\$50.00

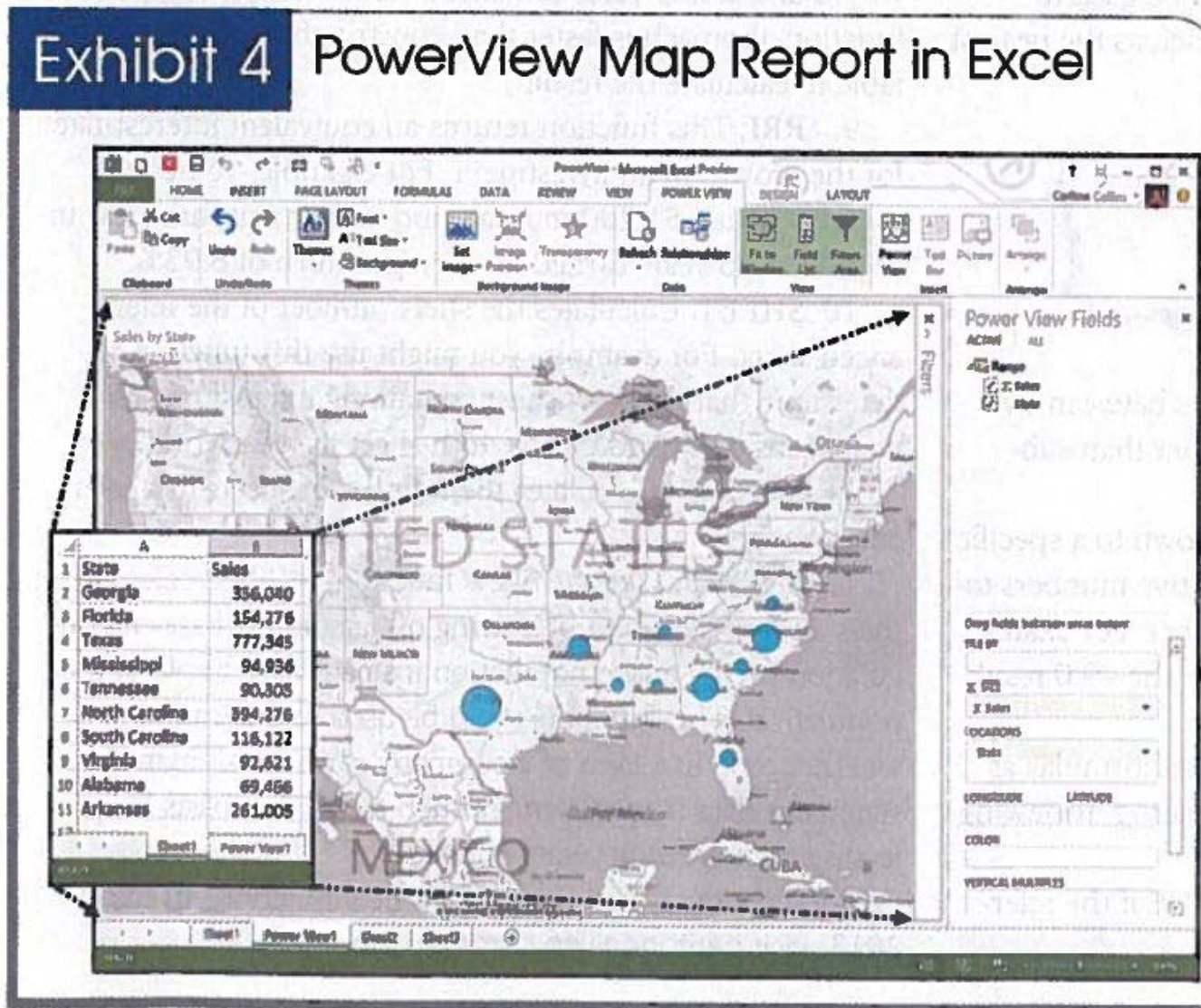


Sparklines

Vendor	Count	Amount	Sparkline
BIG BOX STORE	333	\$ 35,296.71	
CELL PHONE CO	226	\$ 162,196.52	
EMPLOYEE	75	\$ 57,572.32	
HARDWARE STORE	370	\$ 15,540.12	
LAWYERS INC	209	\$ 85,122.64	
MUSIC CO	190	\$ 41,525.67	
OFFICE SUPPLY	460	\$ 154,609.61	
TRANSPORTATION CO	244	\$ 60,777.33	
UNIFORM RENTAL	395	\$ 14,403.90	

PowerView Map

Exhibit 4 PowerView Map Report in Excel





Multiple Schemes – Dixon, IL

- Approximate population of 15,500
- Approximate median income of approx. \$36,000
- Comptroller – earned approx. \$83,000/year at last year of employment
- Fraudulent activity began as early as December 18, 1990
- Alleged loss of approximately \$53,000,000



Multiple Schemes – Dixon, IL

- Wires to personal account
 - No reconciliation or confirmation of where money went
- Fictitious Invoices
- Mail intercepted

Bank Signature Card

WHAT'S WRONG?

OVERLAP OR REFERRED TO AS "BANK"

Name (Primary Owner) City of Dixon, IL		Account No. [REDACTED] - RSCDA Reserve Fund	
Street Address 113 West Second Street, PO Box 386		Type	
City and State Dixon, IL		Zip 61021-0386	
Home Phone 815-288-1485	Date of Birth 1-10-53	Mother's Maiden Name Schick	
Employer City of Dixon		Work Phone 815-288-1483	
Tax ID or S.S. Number [REDACTED]		NEW <input type="checkbox"/> ADD <input checked="" type="checkbox"/> REPL <input type="checkbox"/>	
Ownership*	Opened By	BC No.	Date

*Joint accounts shall be owned as joint tenants with right of survivorship, not as tenancy by the entirety

<input type="checkbox"/> Corporation for Profit	<input type="checkbox"/> Non Resident Alien*	<input type="checkbox"/> LLC	<input checked="" type="checkbox"/> Government	<input type="checkbox"/> Non Profit (501(c)(3))
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership for Profit	<input type="checkbox"/> LLP	<input type="checkbox"/> Trust	<input type="checkbox"/> Other

*Each Non Resident Alien must complete a W-8 Form

THE UNDERSIGNED AGREES TO THE TERMS AND CONDITIONS AT THE RIGHT

Title: Comptroller/Treasurer

2. (a) * Req'd 1	Non-US Person*	Senior Foreign Official*
Yes	No	Yes
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yes	No	Yes
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No	Yes
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

x P. Lee Lowe



INVOICE

DEXON, CITY OF
C/O City Clerk
City Hall
Dixon
IL 61021

INVOICE NO. 79621
RESP. CODE 8040
INVOICE DATE 11/15/04
REVENUE CODE 6306
AUDIT NUMBER
PAYER NUMBER 06614

EXPLANATION OF CHARGES

PAY FROM THIS INVOICE

LOCATION: Peoria Avenue
LOCAL SECTION: 96-00137-00-BR (Dixon)
ROUTE: PAU 5497
SECTION:
COUNTY: Lee
JOB NO.: C-92-097-03
PROJECT NO.: BRM-5018/014/000
CONTRACT NO.: 85340

pd 11/22/04
w/ # 410
sewer crossing
bridge
#720137

The Agreement between City of Dixon,
and the State of Illinois provides that the City will reimburse the State for sewer
construction costs.

CITY SHARE \$634,000.00

Payment Due Date 11/31/2004

NOW DUE

\$634,000.00

PLEASE MAKE CHECK PAYABLE TO TREASURER, STATE OF ILLINOIS
AND MAIL TO: Illinois Department of Transportation
Room 522, Harry R. Harley Building
2300 So. Dickson Parkway
Springfield, IL 62764

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INVOICE

INVOICE NO. 79621
RESP. CODE 8040
INVOICE DATE 11/15/04
REVENUE CODE 6306
AUDIT NUMBER
PAYER NUMBER 06614

DEXON, CITY OF
C/O City Clerk
City Hall
Dixon
IL 61021

EXPLANATION OF CHARGES

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Check example

CITY OF DIXON CAPITAL DEVELOPMENT FUND		524
DATE 5/27/09		
PAY TO THE ORDER OF TREASURY	\$ 285,000.00	
Two hundred eighty-five thousand & no/100		DOLLARS
FIFTH THIRD BANK		
[Signature]		
0524		70028500000



\$83,000/year...living beyond means?

Diamond dog tag pendant and chain in 14 karat white gold. Starting bid:



3 of 13:
BULLION (24) PAMP Suisse 100 gram gold bars, 9999 fine gold, Serial Numbers, 100221 - 100223.

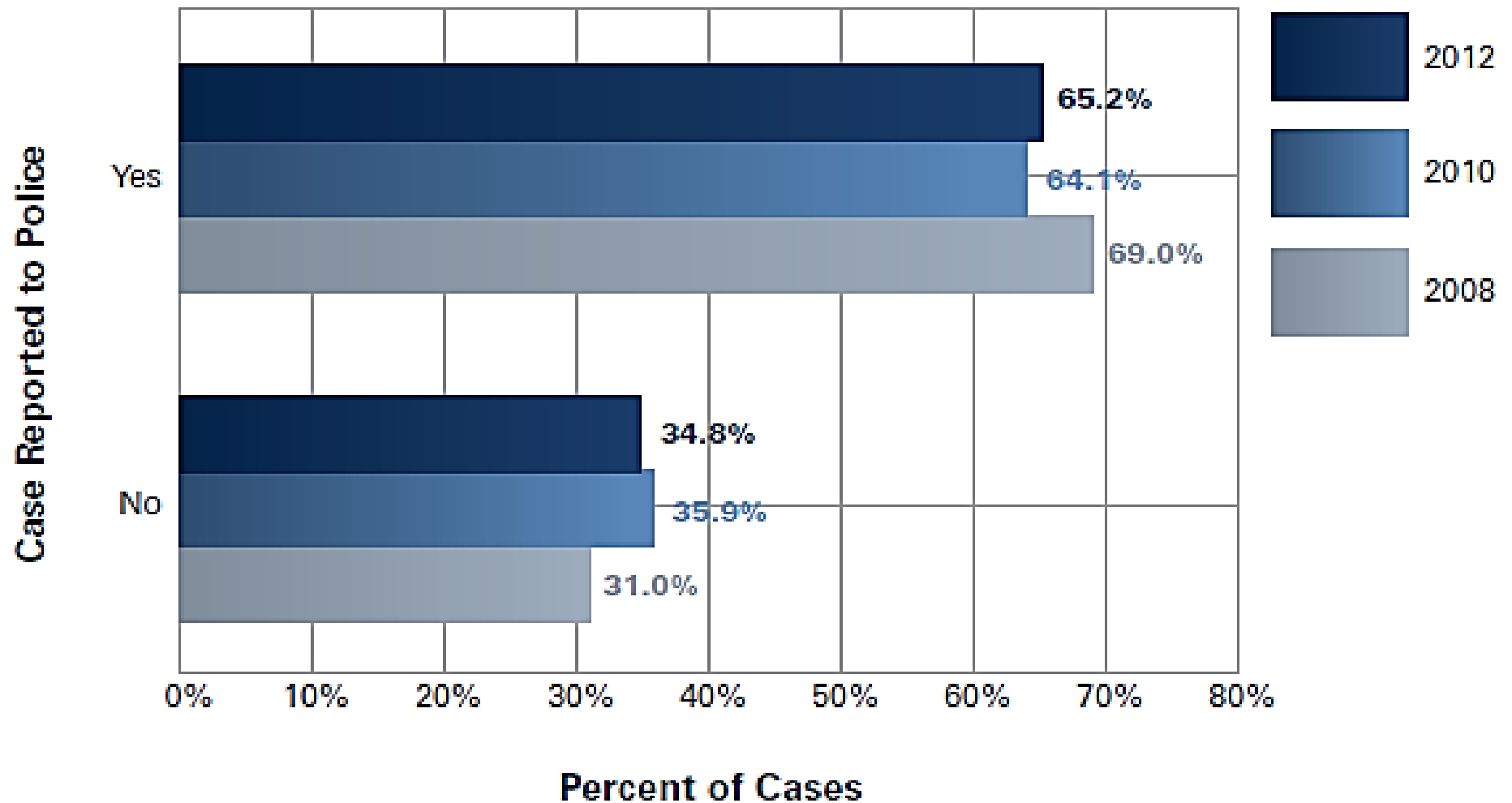


2 of 13:
BULLION: (32) Johnson Matthey 1 Kilo (1000 grams ea.) gold bars, .999 fine gold, Serial Numbers: 176111, 176115, 176110, 188201, 188202, 188203, 188204, 188205, 188206, 188207, 188208



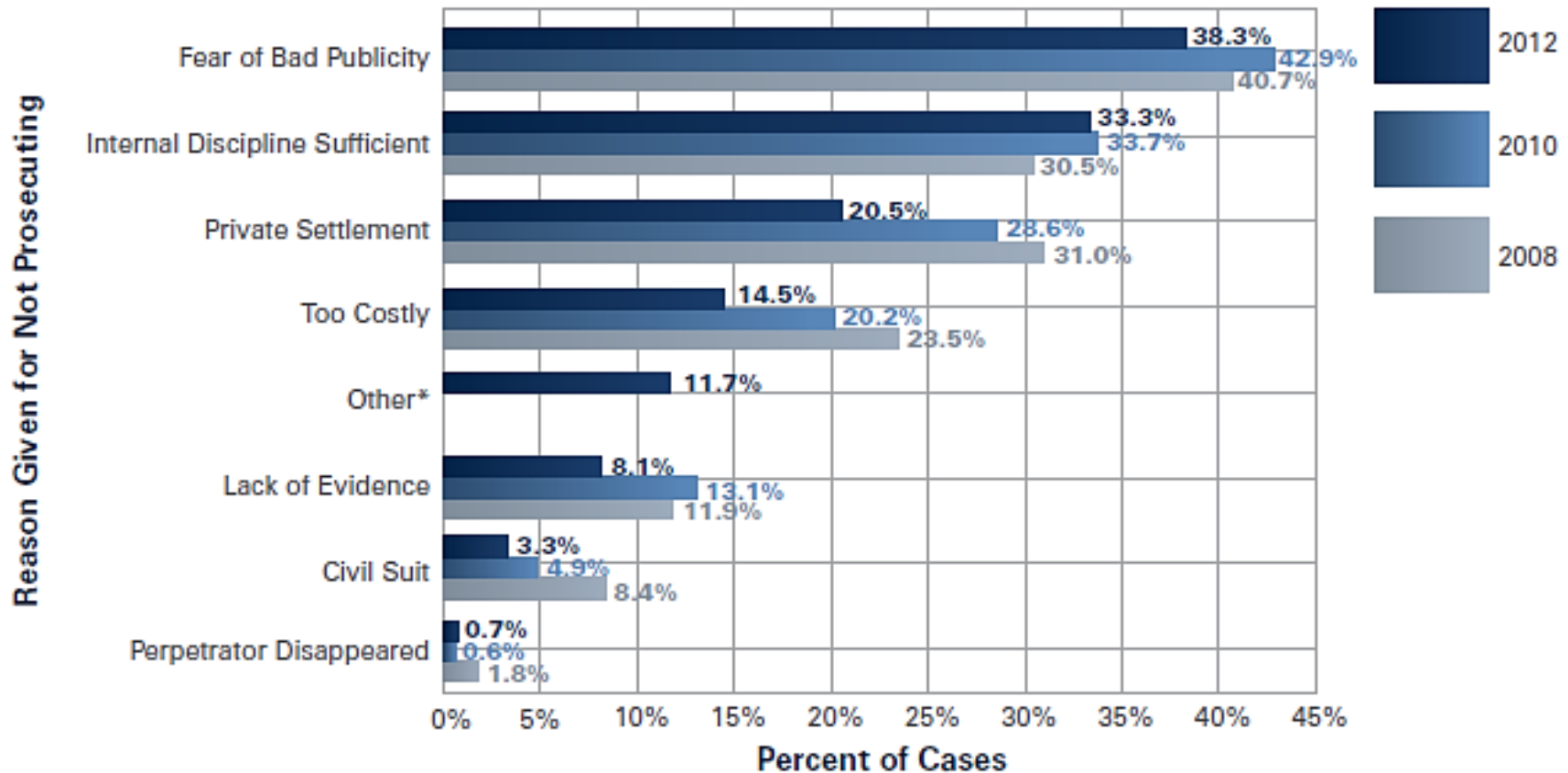
Referred to Law Enforcement

Cases Referred to Law Enforcement



Not Referred to Law Enforcement

Reason(s) Case Not Referred to Law Enforcement



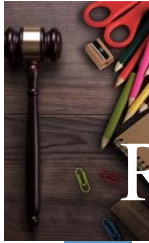
***Other** category was not included in the 2010 report.*



Recovery of Losses

Recovery Amount	Frequency
No recovery	48.7%
1 – 25%	15.0%
26 – 50%	8.1%
51 – 99%	12.4%
100%	15.8%

Source – “2012 Report to the Nations” by the Association of Certified Fraud Examiners



Reporting Losses to the IRS

- Form 3949A to report employee 'earnings' by victim company
 - Form is only informational in nature
 - Vs. 1099-MISC and/or W2
- Loss is deductible in year of discovery by entity
- If losses are deducted, any repayments are considered income in the year received



Key points

- Ask questions
 - Where are processes not segregated?
 - Are surprise checks being performed?
 - What is the process for cash collections?
- Review and test information
- Trainings
- Use available resources to improve processes



Presenter



Michelle McHale-Adams, CPA/CFF, CFE Principal - Forensic Investigative Services

Michelle is Plante Moran's forensic investigative practice leader. Her presentations are tailored to the unique needs of each audience and include key insights and industry-specific case studies gathered from more than 17 years of experience in forensic investigations.

Michelle has conducted numerous interviews, located and reviewed key documents, analyzed numerous financial records, traced assets, and quantified the financial impact of fraudulent activities for many clients in numerous industries. She has assisted counsel in discovery matters and has testified at trial regarding economic damage calculations and forensic accounting findings. Michelle has also provided financial consulting services for many large and small entities that were not in litigation.

A portion of this consulting is related to performing numerous specialized internal control reviews whereby vulnerable areas of the controls over cash are identified. She has helped organizations prepare economic loss claims with insurance companies that were the result of employee fraud or white-collar crime.

www.forensic-accounting.plantemoran.com

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616.643.4059 or 248.223.3858