

Dannible & McKee, LLP

Fraud Prevention Conference



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What is Fraud?



Criminal vs. Civil

Federal vs. State

Different elements

Different standard of proof

Different consequences

NYS Penal Law – Part III, Title K

Offenses Involving Fraud

Forgery

Falsifying
Business
Records

Offering False
Instrument for
Filing

Insurance
Fraud

Health Care
Fraud

Bribery

Mortgage
Fraud

Section 190 –
Catch-all for
“Other Frauds”

State Level Investigations / Prosecutions

Local Law Enforcement

State Police

District Attorney's Office

Attorney General

Federal Fraud Investigations



A Primer on the U.S. Department of Justice's Role in Investigating
Violations of Federal Law Prohibiting Fraud

The United States Code Contains Many Provisions Prohibiting Fraud and Providing the Government with Civil and/or Criminal Remedies in a Variety of Contexts, Including:

 Bankruptcy Fraud	 Commodities, Investment and Securities Fraud	 Consumer Fraud	 Cyber Crime
 Disaster-Related Fraud	 Foreign Corrupt Practices Act	 Health Care Fraud	 Housing Discrimination
 Identity Theft	 Mail Fraud	 Mortgage Fraud or Loan Scams	 Rescue or Trophic Asset Relief Program
 Retirement Plan Fraud and Abuse	 Social Security Fraud	 Student Loan Fraud	 Tax Fraud

False Claims Act, 31 U.S.C. § 3729 et seq;

Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), 12 U.S.C § 1833a;

Mail and Wire Fraud, 18 U.S.C. § 1343;

Securities Fraud, 18 U.S.C. § 1348;

Tax Fraud, 26 U.S.C. § 2701 et seq.

A Wide Range of Agencies Have Authority to Investigate Fraud and Bring Enforcement Actions Relating to Different Sections of the U.S. Economy, Including:

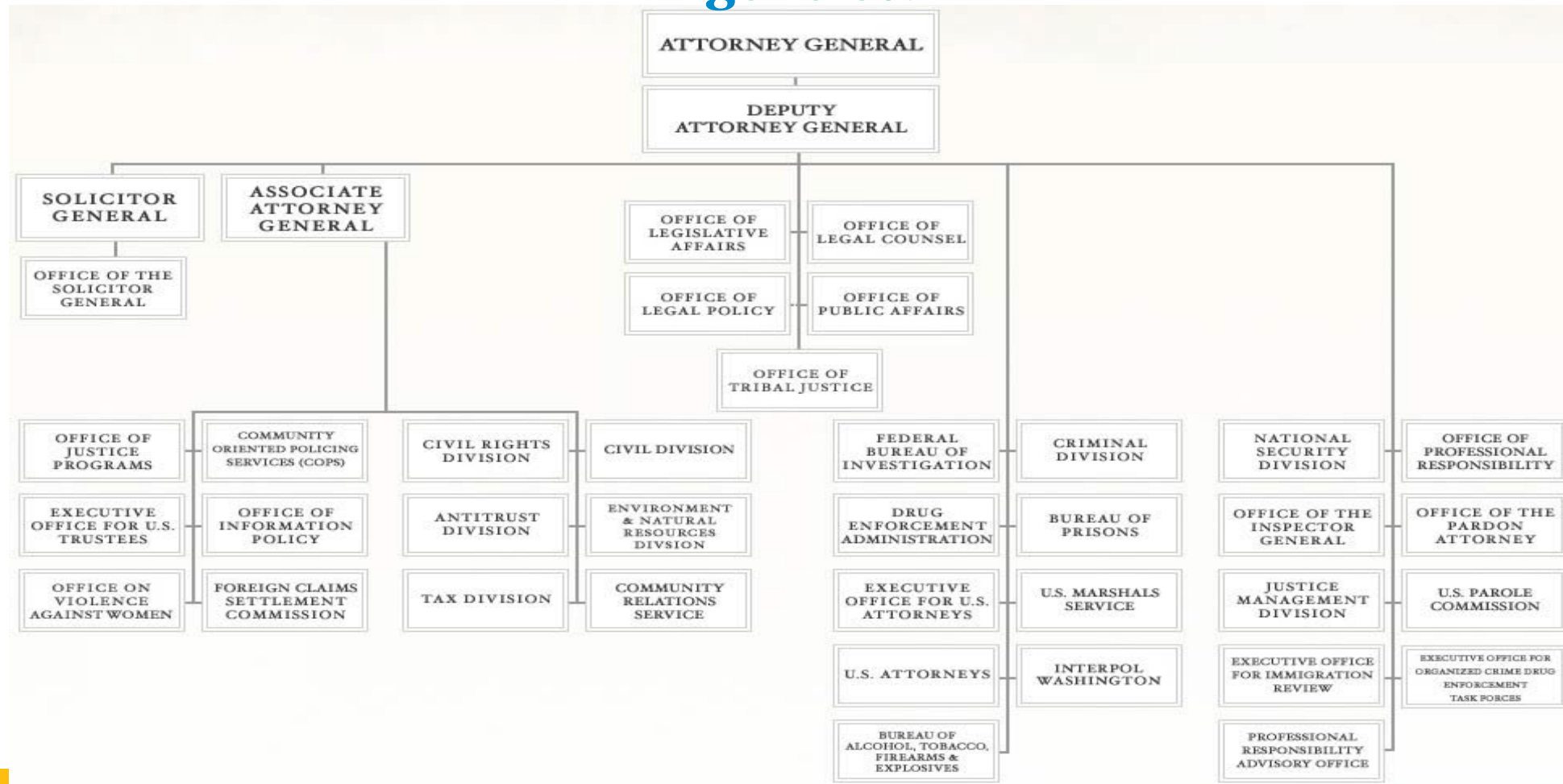
U.S. Securities & Exchange Commission

The Federal Trade Commission

The Internal Revenue Service

The Consumer Financial Protection Bureau

The United States Department of Justice has the Widest Range of Authority to Investigate Fraud at the Federal Level, Frequently Overlapping with the Investigative Authority Held by the Specialized Agencies.



DOJ Has Both Civil and Criminal Authority

Civil – Much of DOJ's work relating to civil fraud investigations is overseen by the Fraud Section of Commercial Litigation Branch, which is located within DOJ's Civil Division.

Criminal – The Criminal Division's Fraud Section investigates and prosecutes complex white collar crime cases throughout the country.

The Civil Division Fraud Section Focuses on a Wide Range of Issues. Priority Areas Include:



Healthcare Fraud – Investigations under the civil False Claims Act to recover money on behalf of defrauded federal health care programs including Medicare, Medicaid, TRICARE, the Department of Veterans Affairs (VA), and the Federal Employee Health Benefits Program (FEHBP).

Defense Contracting Fraud – Investigations under the civil False Claims Act to combat fraud affecting procurement of weapons systems (such as jets, helicopters, tanks, ships, and submarines), as well as food, fuel, and other provisions for military personnel serving at home and abroad

Civil Fraud Section

(continued)

FIRREA/Financial Fraud – Investigations under both the False Claims Act and the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA).

Procurement Fraud – Investigations of violations of the Anti-Kickback Act and the Truth in Negotiations Act, and the False Claims Act relating to fraudulent inflation of contract pricing, false representations to win contracts, and fraud relating to government supply chains.




Civil Fraud Section (continued)

BEWARE *of* FRAUD *when Seeking* DISASTER ASSISTANCE

Disaster Survivor Assistance Teams and home inspectors are often sent to rural areas to help disaster survivors, but not all individuals offering assistance are who they say they are.

Don't take a
financial hit from
scams during your
recovery process!

BEFORE YOU ENGAGE, FOLLOW THESE TIPS:

-  FEMA representatives and inspectors from other agencies will always have identification.
-  Do NOT give cash. Government workers never ask for a fee or payment.
-  Do NOT give personally identifiable information over the phone.

If you believe you are the victim of fraud, contact the Disaster Fraud Hotline to report scams or fraud in your area.



disaster@leo.gov



National Center for Disaster Fraud
Baton Rouge, LA 70821-4909



(866) 720-5721



Customs Fraud – Investigations under the False Claims Act to recover unpaid customs duties, including antidumping duties and countervailing duties, which are designed to protect U.S. manufacturers from unfair competition abroad and prevent foreign companies from “dumping” products on U.S. markets at prices below cost

Disaster Relief Fraud – Investigations into fraud under the False Claims Act in connection with federal disaster assistance provided by FEMA

DOJ – Criminal Division Fraud Section

Responsible for investigating and prosecuting sophisticated financial crimes throughout the country.

Three Litigating Units:

- Foreign Corrupt Practices Act (FCPA) Unit
- Health Care Fraud (HCF) Unit
- Market Integrity and Major Frauds (MIMF) Unit

Foreign Corrupt Practices Act (FCPA)



What is the FCPA?

Regulates the way U.S. businesses function in terms of financial dealings with foreign officials.

Late 1970's – Congress declared “Corporate bribery is bad business. In our free market system, it is basic that the sale of products should take place on the basis of price, quality, and service. Corporate bribery is fundamentally destructive of this basic tenet.”

Foreign Corrupt Practices Act (FCPA) Unit

FCPA has two main provisions:

Anti-bribery provision which makes it unlawful for a U.S. company or citizen, and certain foreign issuers of securities, to make a corrupt payment to a foreign official for the purpose of obtaining or retaining business

An accounting provision which requires companies with securities listed on stock exchanges in the United States to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls.

To Whom the FCPA Applies ...

Anti- Bribery Provisions:

All issuers of securities registered on stock exchanges in the United States
Any company organized under the laws of the United States, or with its principal place of business in the United States
Any citizen or resident of the United States
Foreign companies who cause, directly or through agents, an act in furtherance of a corrupt payment to take place within the United States.

Two Important Notes:

1. Domestic companies and individuals may be held liable for actions taken by affiliated entities or individuals outside of the United States.
2. Officers, directors, employees, agents and stockholders acting on behalf of an issuer or U.S. company can be held liable under the FCPA and can face charges distinct from those of the entity.

To Whom the FCPA Applies ...

- Accounting provisions of the FCPA only apply to entities, and individuals acting on behalf of those entities, with securities listed on a U.S. stock exchange.

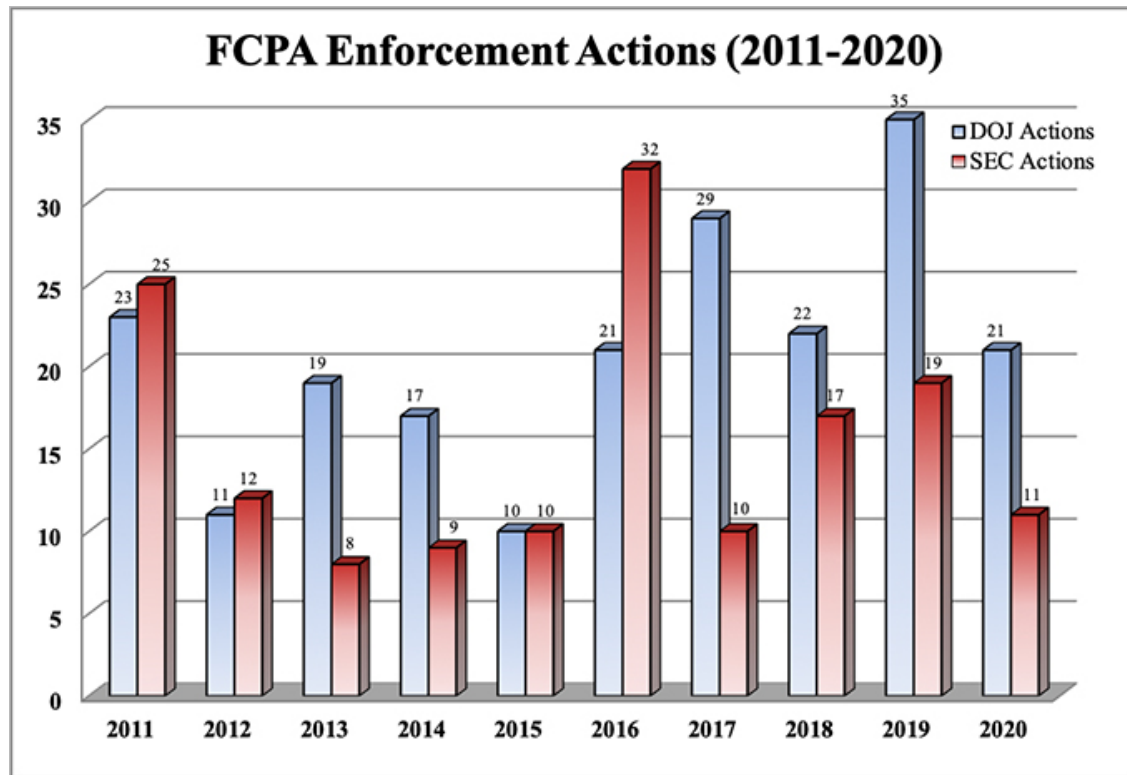


DOJ – Criminal Division Fraud Section FCPA Unit

As the name implies, the FCPA Unit has primary jurisdiction to investigate and prosecute violations of the FCPA.

This unit works closely with the Securities and Exchange Commission (SEC), which has civil enforcement authority for violations of the FCPA by publicly traded companies.

Recent FCPA Unit Prosecutions



There have been a number of high-profile investigations and criminal prosecutions by the FCPA Unit within the last few years. The SEC has also shown that enforcement of the FCPA is a high priority area.

Herbalife Nutrition

Walmart

Herbalife Nutrition FCPA Investigation

Herbalife is a U.S.-based publicly traded global nutrition company

Alleged that Herbalife failed to devise and maintain a sufficient system of internal accounting controls.

Such failure allegedly violated the books and records and internal accounting controls provisions of the FCPA.

Parallel actions by the SEC and DOJ.

Herbalife Nutrition FCPA Investigation

It was alleged that for more than a decade, Herbalife's Chinese subsidiaries made payments and provided meals, gifts, and other benefits to Chinese officials in connection with obtaining favorable treatment

- Licenses
- Curtailing government investigations
- Removing negative coverage of Herbalife China in state-owned media.

Employees were “asked” to falsify expense documents in order to conceal these improper payments.

Herbalife Nutrition FCPA Investigation

Important to note that Herbalife had internal FCPA policies that were intended to monitor this type of activity

The policies worked –Herbalife executives in the United States were repeatedly told that travel and entertainment spending by its Chinese subsidiaries was extraordinarily high

However, no action was taken.

Herbalife Nutrition FCPA Investigation

In 2020 Herbalife agreed to pay total penalties of more than \$120 million to resolve the investigation.

- “Herbalife’s inadequate internal accounting controls allowed an environment of corruption to exist in its Chinese subsidiaries for more than a decade.” Sanjay Wadhwa Senior Associate Director – SEC New York Regional Office.

Walmart FCPA Investigation



Investigation involved Walmart's subsidiaries in Brazil, China, India, and Mexico

Parallel actions by the SEC and DOJ.

It was alleged that third-party intermediaries (TPIs) employed by Walmart subsidiaries routinely made payments to foreign government officials without reasonable assurances that they complied with the FCPA.

Walmart admitted that for several years, it planned to implement proper compliance and training for its foreign subsidiaries – But, never got around to doing it

Walmart FCPA Investigation

In 2019, Walmart agreed to pay more than \$280 million to resolve the investigation.

“Walmart valued international growth and cost-cutting over compliance. The company could have avoided many of these problems, but instead Walmart repeatedly failed to take red flags seriously and delayed the implementation of appropriate internal accounting controls.”

- **Charles Cain (Chief of the SEC Enforcement Division’s FCPA Unit)**

“In numerous instances, senior Walmart employees knew of failures of its anti-corruption-related internal controls involving foreign subsidiaries, and yet Walmart failed for years to implement sufficient controls comporting with U.S. criminal laws.”

- **Brian Benczkowski (Assistant Attorney General – DOJ Criminal Division)**

Key Takeaways from Herbalife & Walmart



		Anti-bribery Violations	Books & Records Reporting Violations
Individuals			
	Criminal Fine	\$100,000	\$5,000,000
	Prison Sentence	5 years	20 years
	Civil	\$10,000	
Corporations			
	Criminal	\$2,000,000	\$25,000,000
	Civil	\$10,000	

1. An anti-corruption compliance program on paper is meaningless without controls:

Both companies had anti-corruption policies.

In Walmart's case, the policies were never implemented.

In Herbalife's case, they were simply ignored.

Key Takeaways from Herbalife & Walmart

2. Third Party Intermediaries Require Due Diligence:

When working with TPIs, there needs to be specific requirements for ensuring compliance with anti-corruption regulations and a process for auditing whether those requirements are met.

Walmart also conducts routine audits which includes a review of financial records

In Walmart's case, post-settlement, each TPI that it contracts with must now:

- acknowledge the anti-corruption policy and agree to follow it
- Be subject to mandatory training

Key Takeaways from Herbalife & Walmart



3. Compliance controls must be centralized:

Walmart had an International Compliance Office, but it allowed for subsidiaries to design and implement their own anti-corruption program as long as it met certain global standards.

Following the settlement, there is a centralized compliance program led by a dedicated team who implements and monitors programs across all markets.

Key Takeaways from Herbalife & Walmart

4. Anti- Corruption Training is
Essential

DOJ – Criminal Division Health Care Fraud Unit

80 prosecutors focusing solely on prosecuting complex health care fraud matters

Three key areas of enforcement:

1. Illegal prescription distribution (primarily Opioids)
2. Offenses resulting in patient harm.
3. Medicare and private insurance fraud

Employ “Strike Force Model” - Collaborative approach with multiple federal and local agencies (FBI, HHS, DEA, U.S. Attorneys’ Offices, State and local law enforcement)

15 Strike Forces located across the country, including the District of Columbia.

DOJ – Criminal Division Health Care Fraud Unit



National Healthcare Fraud and Opioid Takedown

September 2020 - HCF Unit organized and led a historic, national takedown, in collaboration with the U.S. Attorney's Offices in more than fifty districts and several other federal agencies

345 defendants charged, including more than 100 doctors, nurses, and other licensed medical professionals

The defendants were collectively charged with submitting more than \$6 billion in allegedly false and fraudulent claims to federal health care programs and private insurers.

- \$4 billion connected to telemedicine
- \$845 million connected to substance abuse treatment facilities
- \$480 million connected to illegal opioid distribution schemes across the country

National Healthcare Fraud and Opioid Takedown

United States v. Richard Farmer (W.D. Tenn.)

Illegal Prescription Fraud

Dr. Richard Farmer was a psychiatrist in Memphis, Tennessee

Alleged that over the course of several years, Dr. Farmer prescribed oxycodone that had no legitimate medical purpose and was outside the usual course of professional practice

Evidence at trial included proof that he prescribed opioids to three sisters, including one who was seeing him as a patient for grief counseling, in exchange for sexual acts

National Healthcare Fraud and Opioid Takedown

United States v. Richard Farmer (continued)

After a nine-day jury trial in February 2020, a jury found Dr. Farmer guilty of unlawfully distributing oxycodone

In October 2020, Dr. Farmer was sentenced to 48 months in prison

National Healthcare Fraud and Opioid Takedown



United States v. Scotty Akers, et al. (E.D. Ky.)

Dr. Scotty Akers – Sports Medicine physician in Pikeville, KY

His wife (Serissa Akers) was the practice manager

April 2019 – Husband and wife were charged with multiple counts of Unlawful Distribution of a Controlled Substance

The indictment alleged that over a period of nearly two years, Dr. Akers wrote “parking lot” prescriptions that his wife (and office manager) sold using Facebook messenger.

Performed no physical examination and kept no records on the patients who received these prescriptions

National Healthcare Fraud and Opioid Takedown

United States v. Scotty Akers (continued)

August 2020 - Pleaded guilty to several counts of distributing opioids outside the ordinary course of professional practice and without legitimate medical purpose

December 2020, Dr. Akers sentenced to 60 months imprisonment

Serissa Akers sentenced to 32 months imprisonment

National Healthcare Fraud and Opioid Takedown

- The defendants owned and/or operated a substance abuse treatment facility in Miami

Substance Abuse Treatment Fraud

U.S. v. Peter Port, et al. (S.D. Fla.)

- September 2019 – Charged with multiple counts of health card fraud, conspiracy to commit health care fraud, wire fraud and money laundering

- The indictment alleged that over a five-year period-of-time, the defendant's participation in a kickback scheme to defraud private health insurance companies out of more than \$50,000,000

- As part of the scheme, the defendants submitted false and fraudulent claims to health insurance plans for addiction treatment services that were not provided and laboratory tests that were not medically necessary.
 1. Recruited patients to come to facility despite no legitimate need
 2. Excessive urine screens
 3. Permitted patients to use drugs in order to prolong their stay

National Healthcare Fraud and Opioid Takedown

U.S. v. Peter Port, et al. (continued)

August 2021 – Every defendant except Port pleaded guilty – Conspiracy to Commit Health Care Fraud

Sentencing scheduled for October 2021

Defendant Port's case is scheduled for trial in April 2022

National Healthcare Fraud and Opioid Takedown



Medicare Fraud

United States v. Steven Kahn (S.D. Fla.)

- Defendant owned a telemedicine company in South Florida
- Indictment alleged that January 2017- April 2019, he participated in a scheme to defraud Medicare out of more than \$21 million
- The Scheme ...
 - Defendant paid kickbacks and bribes to physicians to perform telemedicine consultations wherein the doctors would write orders for unnecessary orthotic braces
 - Defendant knew that these consultations did not comply with Medicare rules
 - Defendant would then sell these orders to various durable medical equipment companies in exchange for kickbacks

National Healthcare Fraud and Opioid Takedown

**United
States
v.
Steven
Kahn**

-Pleaded guilty Kahn admitted that he paid kickbacks to physicians who he knew did not comply with Medicare's rules for conducting telemedicine consultations

-Awaiting sentencing

Health Care Fraud Unit:

COVID-19 Fraud Initiative

By Summer of 2020, DOJ was aware of various fraud schemes designed to exploit the COVID-19 pandemic

Attorney General established a multi-agency COVID-19 Fraud Enforcement Task Force

- U.S. Attorneys Offices
- FBI
- IRS
- DOL
- SBA
- DOJ Health Care Fraud Unit – Covid-19 Fraud Initiative

COVID-19 Fraud Initiative

Same play ... Different actors

Once it became clear that Covid-19 tests were going to be an integral part of our lives – the fraudulent schemes began ...

Most common scheme involved preying on senior citizens (Medicare beneficiaries)



- Offered COVID-19 tests at senior living facilities
- Obtained personal identifying information along with a saliva or blood sample
- Misused the information and samples to submit claims to Medicare for unrelated, medically unnecessary tests
- Received kickbacks from testing laboratories

COVID-19 Fraud Initiative

Mark Schena - President and Chief Science Officer of Arravit Corporation, a publicly traded medical technology company

United States v. Mark Schena (N.D. Cal.)

It is further alleged that defendant made numerous misrepresentations to potential investors about Arravit's financial condition and future prospects based on these unnecessary tests.

June 2020 - Charged with securities fraud and conspiracy to commit health care fraud.

First criminal securities fraud prosecution by DOJ related to the COVID-19 pandemic

It is alleged in the indictment that between 2015 and 2020, Schena paid kickbacks and bribes to recruiters and doctors to run an allergy screening test on every patient, regardless of medical necessity.

Issued press releases and tweeted about potential partnerships with Fortune 500 companies even though such partnerships either did not exist or were of de minimis value

COVID-19 Fraud Initiative

United States v. Mark Schena (continued)

As the COVID-19 crisis began to escalate in March 2020, Schena made claims that Arravit could provide fast, reliable, and inexpensive COVID-19 tests in compliance with state and federal regulations.

Claimed that it was simple to develop a test for COVID-19 because the switch from testing for allergies to testing for COVID-19 was “like a pastry chef” who switches from selling “strawberry pies” to selling “rhubarb and strawberry pies.”

In addition to making false and fraudulent statements about the existence, regulatory status, and accuracy of an Arravit COVID-19 test, it was also alleged that defendant engaged in a kickback scheme whereby doctors would bundle a COVID-19 test with Arravit’s allergy test despite no medical necessity

This kickback scheme allegedly resulted in \$70 million in false and fraudulent claims to Medicare

As it turns out, the test were proven to be unreliable in detecting COVID-19.

Defendant is currently awaiting trial

COVID-19 Fraud Initiative

United States v. Ashley Hoobler Parris (M.D. Fla.)

Defendant owned a marketing company for genetic testing services.

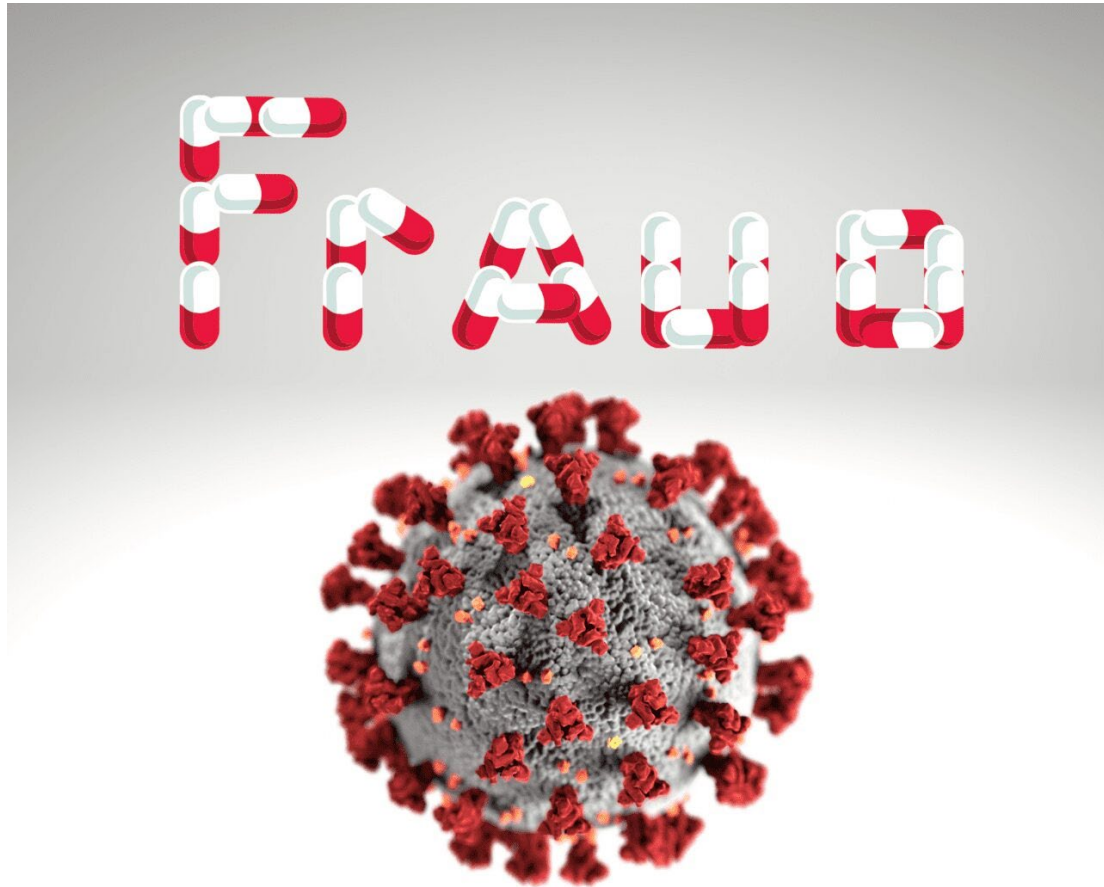
May 2020 - Charged with conspiracy to commit health care fraud.

It is alleged in the indictment that beginning in 2018, defendant contacted elderly people and convinced them that they needed to have genetic testing done in order to identify potential risks of certain types of cancer.

If they agreed, she would refer them to a telemedicine company that would order the testing despite not being medically necessary. The cost of the tests would be paid by Medicare.

Defendant paid illegal kickbacks to telemedicine company for writing the orders, and in turn the laboratories who performed the testing (and were paid by Medicare) would kick back to her.

COVID-19 Fraud Initiative



United States v. Ashley Hoobler Parris (continued)

February 2020, defendant expanded her kickback scheme to include COVID-19 tests.

Referring patients to one or more telemedicine companies who would order COVID-19 tests, along with Respiratory Pathogen Panel (RPP) tests.

The RPP tests were not medically necessary and were ordered for the sole purpose of increasing the laboratories' Medicare reimbursement rates (4 x's higher).

For each test, the laboratories were kicking back at least \$150 to defendant.

COVID-19 Fraud Initiative

United States v. Ashley Hoobler Parris (continued)

November 2020 - Pleaded guilty to one count of conspiracy to commit health care fraud.

Admitted that she defrauded Medicare of approximately \$3 million for medically unnecessary laboratory testing.

Defendant is awaiting sentencing

DOJ – Criminal Division

Market Integrity & Majors Frauds (MIMF) Unit

Investigates and prosecutes a broad array of fraud schemes, including sophisticated market manipulation schemes and other large-scale fraud schemes in the financial services industry

For the last 18 months, the MIMF Unit has spearheaded the DOJ's efforts to combat fraud in connection with various Covid-19 relief programs created by the CARES Act.

Most notably, the Paycheck Protection Program and Unemployment Insurance Fraud.

CARES Act Fraud

March 29, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law.

An additional \$600/week from April 2020 to August 2020

Provided more than \$2 trillion in economic relief to help Americans cope with the economic impact of the COVID-19 global pandemic.

An additional \$300/week from January 2021 to September 2021.

The Act originally authorized up to \$349 billion in forgivable loans to small businesses through the Paycheck Protection Program (PPP). Congress later authorized \$321 billion in additional PPP funding.

- The Act also set aside billions of dollars for Pandemic Unemployment Assistance (PUA) for individuals who were unable to work due to the pandemic but did not qualify for traditional Unemployment Insurance (UI).

Paycheck Protection Program (PPP) Fraud

A recent paper by three University of Texas professors estimates that 1.8 million of the PPP's 11.8 million loans (15%) totaling \$76 billion had at least one indication of potential fraud.

- Griffin, John M. and Kruger, Samuel and Mahajan, Prateek, Did FinTech Lenders Facilitate PPP Fraud? (August 17, 2021)

To date, more than 500 individuals have been charged in Covid-related fraud cases, who are alleged to have defrauded the government out of nearly a Billion dollars.

Paycheck Protection Program (PPP) Fraud



U.S. v. Andrew Tenza (E.D. V.A)

NASA engineer

Applied for (and received) nearly \$300k in PPP funds for businesses that did not exist

Submitted fabricated IRS tax returns and payroll records

Used the proceeds to pay off credit card debt, as well as to purchase a new pool, car and dog.

Paycheck Protection Program (PPP) Fraud

April 2021 – Pleaded
guilty to one count of
fraud

U.S. v. Andrew Tenza
(continued)

Sentenced to 18
months
imprisonment

“We will continue to hold accountable individuals who exploit a national economic crisis in order to unlawfully enrich themselves at the expense of those in genuine need due to the pandemic.”

- - Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia

Paycheck Protection Program (PPP) Fraud

U.S. v. Maurice Fayne (N.D.G.A.)

Defendant starred in the reality TV show *Love & Hip Hop: Atlanta*

Applied for and received \$3.7 million in PPP funds.

Falsely claimed that his trucking business had 107 employees and an average monthly payroll of \$1,490,200.

On his application, defendant certified that the PPP loan proceeds would be used to “retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.”

Instead, defendant used the proceeds to pay past-due child support, restitution owed in a previous fraud case, start a new business, purchase jewelry, and lease a Rolls-Royce.

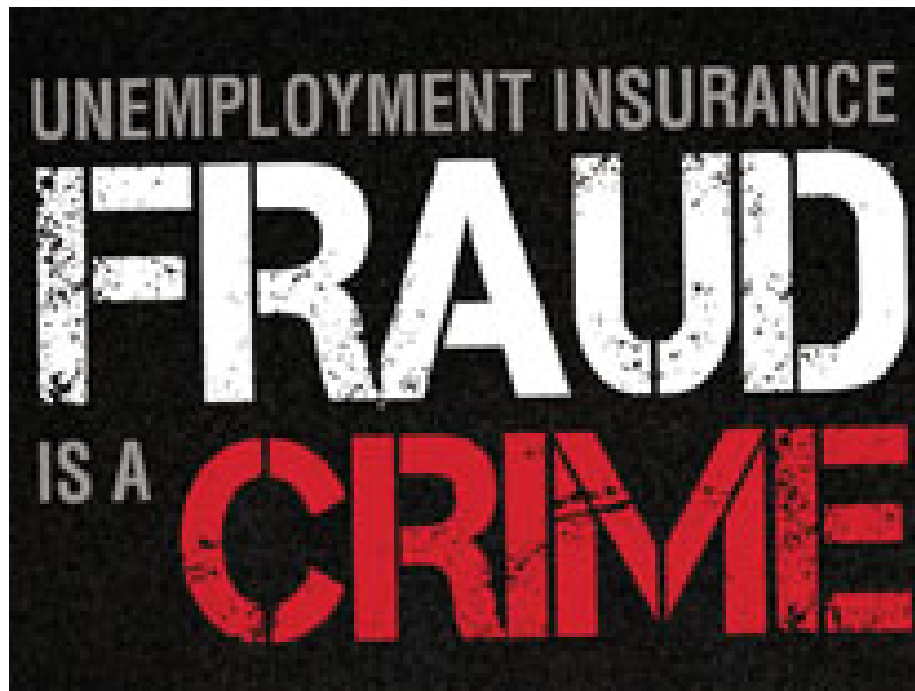
Paycheck Protection Program (PPP) Fraud

U.S. v. Maurice Fayne (continued)

May 2021 - Pleaded guilty to multiple counts of bank fraud and making false statements to a financial institution

Awaiting sentencing – USA has recommended 12 ½ years

Unemployment Insurance Fraud



People v. Briana Garland (N.D.N.Y.)

Arrested in August 2021 and charged with multiple counts of conspiracy to submit fraudulent unemployment insurance claims, conspiracy to commit mail fraud and aggravated identity theft

According to the indictment, the defendant had a personal relationship with an individual currently in the custody of the New York Department of Corrections

It is alleged that Thornton submitted fraudulent applications for unemployment benefits on behalf of her acquaintance, and several other inmates.

NYS DOL paid over \$30,000 as a result of the scheme

Employee Theft Cases

A much more common occurrence than people realize

[According to a 2018 study by Hiscox](#)

- Nearly 40% of those responding to survey had experienced two or more cases of embezzlement in their company
- On average, embezzlers have worked for eight years at the company they steal from.
- 75% of all embezzlement incidents include more than one perpetrator.

The average embezzled amount from employee schemes is \$357,650.

Employee Theft Cases

In the last 30 days

United States Golf Association (USGA) employee charged with conspiracy, wire fraud and mail fraud in connection with a scheme to use his position to obtain 23,000 U.S. Open tickets that he sold to third-party ticket brokers for nearly \$1 million.

Berrien County (MI) Superintendent of Buildings and Grounds charged with embezzlement for allegedly charging materials and tools for personal home construction projects to the County on their credit accounts at various hardware retailers.

Employee Theft Cases

State of Michigan Department of Energy

- Employee pleaded guilty to multiple counts of embezzlement. One of his job responsibilities was returning performance bonds to companies that drill or operate gas and oil wells, when ownership changes hands. Instead of giving bonds back to the original owners, defendant created fictitious vendors and diverted the bonds to bank accounts he made up for the vendors. All told, he embezzled more than \$850k.

Solvay Bank

- Last week, Solvay Bank employee was charged with embezzling more than \$45,000 from customer accounts between July 2019 and July 2021.
- Defendant allegedly “utilized his knowledge of the bank’s policies and procedures to access several Solvay Bank customer accounts.”

How to Prevent Employee Theft?

Separate

Separate responsibilities: One worker to process checks and another to reconcile transactions and approve documentation.

Require

Require purchase orders or invoices for every payment.

Don't use

Don't use a signature stamp — or keep it under lock and key.

Review

Regularly review detailed expense reports (not just summary reports) broken down by vendor, amount and purpose.

Protect Against Employee Theft

Commercial Crime Insurance vs. Fidelity Bond

Fidelity Bond –
More narrow scope of protection. Protects you from crimes that are directly related to the misdeeds of your employees.

Commercial
Crime Insurance
–Intended to cover financial losses not only related to employee theft but also for the acts of others (i.e.-forgery, robbery, cybercrime).

QUESTIONS???



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Thank You



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