



SEMCACFE Newsletter

September 2017

PRESIDENT'S MESSAGE

I would like to thank our September speaker, Brian L. Carpenter, PhD of Carpenter & Associates, who enlightened us concerning the challenges of building a success consulting practice.

This year we are giving away 6 seats to the SEMCACFE Annual Conference based on chapter membership. The top 6 members who attend the most meetings from October through MARCH will receive a free seat. If more than 6 members we will have a drawing.

The Southeast Michigan Chapter of Associated Certified Fraud Examiners is an exciting experience and continues to showcase knowledgeable speakers. Our group has outstanding people that attend our meetings and conference. Our meetings and conference provide opportunities to gain relevant knowledge for professional and personal success as well as an opportunity to acquire needed hours of continuous education for various certifications.

The Board is always interested in feedback and any ideas on how we can improve the Chapter. Please *let us know if you have a topic you would like or a speaker that would be interested in presenting at a monthly meeting.* Thank you for your continued support.

The Southeast Michigan Chapter is working to increase our outreach and professional networking at colleges and universities as well as in our community. Join us as we relentlessly strive to promote fraud prevention and detection through educational training programs.

Next Chapter Meeting: Thursday, October 5, 2017

Location: St. John Banquet and Conference Center
22001 Northwestern Highway, Southfield, MI

Speaker: *Sheila Flanagan*

Topic: Compliance Management Systems

Dinner prices:

Members: \$30

Students & Retirees: \$25

3rd time Guests: \$40

NOTICE: Our monthly meetings are open to anyone who would like to attend. However, after two meetings, you will be asked to join our chapter. In order to continue paying the member price of \$30 for the meeting, dues are \$50 = CFE; \$55 Associate/Affiliate; \$25 Full Time Student and \$35= Retiree/Govt. Employee. If you choose not to join, you are still welcome to attend but will be charged a dinner meeting fee of \$40.00.

Reminder: To help minimize costs to our chapter, please notify us of any cancelations, prior to the meeting date.

RSVP to Mary Medonis

E-mail: info@semcacfe.org



September 7, 2017 Meeting

Speaker:

**Brian L. Carpenter, PhD
Carpenter & Associates, LLC**

Topic:

"How to build a successful consulting practice"

Save the date:

**SEMCACFE 24th Annual Conference
April 26, 2018**



The ACFE is the world's largest anti-fraud organization and premier provider of anti-fraud training and education. Together with more than 75,000 members, the ACFE is reducing business fraud worldwide and inspiring public confidence in the integrity and objectivity within the profession. Take advantage of networking and educational opportunities in your own back yard by joining your local ACFE Chapter.

Fraud Corner

Your company's biggest thief might be the most loyal-seemingly employee.

In the cult film "Office Space," workers at a technology company seek revenge for boring jobs and bad treatment by ripping off their employer via software that skims fractions of pennies with each transaction. Hilarity, guilt and accidental redemption ensue as the main character ultimately prepares to confess.

Such pennies, in a real-world scenario, can add up more and over longer stretches of time than most employers imagine, according to a study of about 400 employee theft cases reviewed by insurance firm Hiscox. The study, expanded for 2016 to include firms over 500 employees, is based on public data, including from U.S. courts.

The most damaging schemes involved small amounts of money swiped over years, even decades. Of companies studied last year, 29 percent of employee thefts took place over more than five years, with that percentage rising to 37 percent in financial services.

"There's a misconception that embezzlements are large-scale dollar losses that immediately get caught, get prosecuted," said Doug Karpp, the national product head for crime and fidelity at Hiscox. "What you're really looking at are small dollar amounts over a longer period of time that lead to bigger losses."

The longest-running theft Hiscox found stretched for nearly four decades. An Iowa credit union employee diverted \$2.5 million from customer deposits into her own account, and that of her children, from 1978 until 2015. The credit union, which Hiscox didn't name, eventually had to liquidate.

<https://www.cbsnews.com/news/your-companys-biggest-thief-might-be-the-most-loyal-seeming-employee/>

Equifax Says Cyberattack May Have Affected 143 Million in the U.S.



EQUIFAX

Equifax, one of the three major consumer credit reporting agencies, said on Thursday that hackers had gained access to company data that potentially compromised sensitive information for 143 million American consumers, including Social Security numbers and driver's license numbers.

The attack on the company represents one of the largest risks to personally sensitive information in recent years, and is the third major cybersecurity threat for the agency since 2015.

Criminals gained access to certain files in the company's system from mid-May to July by exploiting a weak point in website software, according to an investigation by Equifax and security consultants. The company said that it discovered the intrusion on July 29 and has since found no evidence of unauthorized activity on its main consumer or commercial credit reporting databases.

In addition to the other material, hackers were also able to retrieve names, birth dates and addresses. Credit card numbers for 209,000 consumers were stolen, while documents with personal information used in disputes for 182,000 people were also taken.

Other cyberattacks, such as [the two breaches](#) that Yahoo announced in 2016, have eclipsed the penetration at Equifax in sheer size, but the Equifax attack is worse in terms of severity. Thieves were able to siphon far more personal information — the keys that unlock consumers' medical histories, bank accounts and employee accounts.

What Do You Do?

It is important that all individuals investigate as to whether their information has been compromised. Equifax has set up a site to help determine whether your data is at risk. That site is: equifaxsecurity2017.com/.

You should also acquire a free copy of your credit report from one of the three major agencies. This can be obtained at annualcreditreport.com. If you think your data has been used, be certain to contact your local law enforcement officials. In addition, if you find that your information was stolen, you should place a fraud alert on your credit files; the [FTC has a website with a guide for placing a fraud alert](#). Equifax is also offering all consumers the ability to freeze their Equifax Credit Reports as well as making use of their [Credit Protection Service](#) for free for one year.

<https://www.nytimes.com/2017/09/07/business/equifax-cyberattack.html>

Samsung chief gets 5-year prison term for corruption.

A South Korean court has found Lee Jae-yong, the de facto chief of the sprawling Samsung business empire, guilty of bribery and other corruption charges. Lee, the billionaire son of Samsung's ailing chairman, was sentenced to five years in prison on Friday, well short of the 12-year sentence prosecutors had sought.

The criminal conviction is a blow for Samsung, the world's largest smartphone maker and South Korea's biggest family-run conglomerate whose businesses are estimated to account for around 15% of the country's entire economy. The so-called "trial of the century" has gripped South Korea for months. It's part of a huge influence-peddling scandal that brought down the government of former President Park Geun-hye.

Lee Jae-yong leaving the court Friday after his conviction. Wearing a navy suit and holding a manila envelope, Lee remained seated and silent as the judge read out the verdict. He was found guilty of bribing Park in exchange for government support for a merger that helped him tighten control over Samsung. The 49-year-old executive, who is also known as Jay Y. Lee, has been the de facto leader of Samsung since his ailing father was left incapacitated by a 2014 heart attack.

Related: South Korea's long history of light sentences for business leaders "The public is disappointed that this kind of large-scale crime caused by cozy relations between politics and business still happens -- it's not in the past but remains a reality," Judge Kim Jin-dong said in court. He also laid some of the blame on Park, saying the former president made "aggressive demands" of Samsung.

Related: Samsung's Galaxy Note 8 aims to rebuild consumer trust The court also found Lee guilty of perjury, concealing criminal profits, embezzlement and hiding assets overseas. Lee has denied any wrongdoing, and his lawyers said Friday they reject the court's decision and will appeal immediately.

Prosecutors presented Lee as a savvy tycoon who knew exactly what he was doing when Samsung paid tens of millions of dollars to entities linked to a confidante of Park in order to win government backing for the key merger.

The conviction caps a rocky 12 months for Samsung, beginning with the embarrassing fiasco over its fire-prone Galaxy Note 7 smartphone last fall.

<http://wtvr.com/2017/08/25/samsung-chief-gets-5-year-prison-term-for-corruption/>

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