



ETHICS SESSION

ACFE CAPITAL DISTRICT CHAPTER



ALBANY-NY-ACFE-Chapter, January 25, 2024

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H A P P Y



N E W Y E A R

RESIGN ?



THEME SLIDE EDUCATION



Settlement finalized in class action pandemic lawsuit against RPI



A settlement has been finalized in a class-action lawsuit against Rensselaer Polytechnic Institute.

A federal district court judge granted final approval of a \$6.5 million settlement.

FIRST MIRACLE in 2024 ³⁷⁹



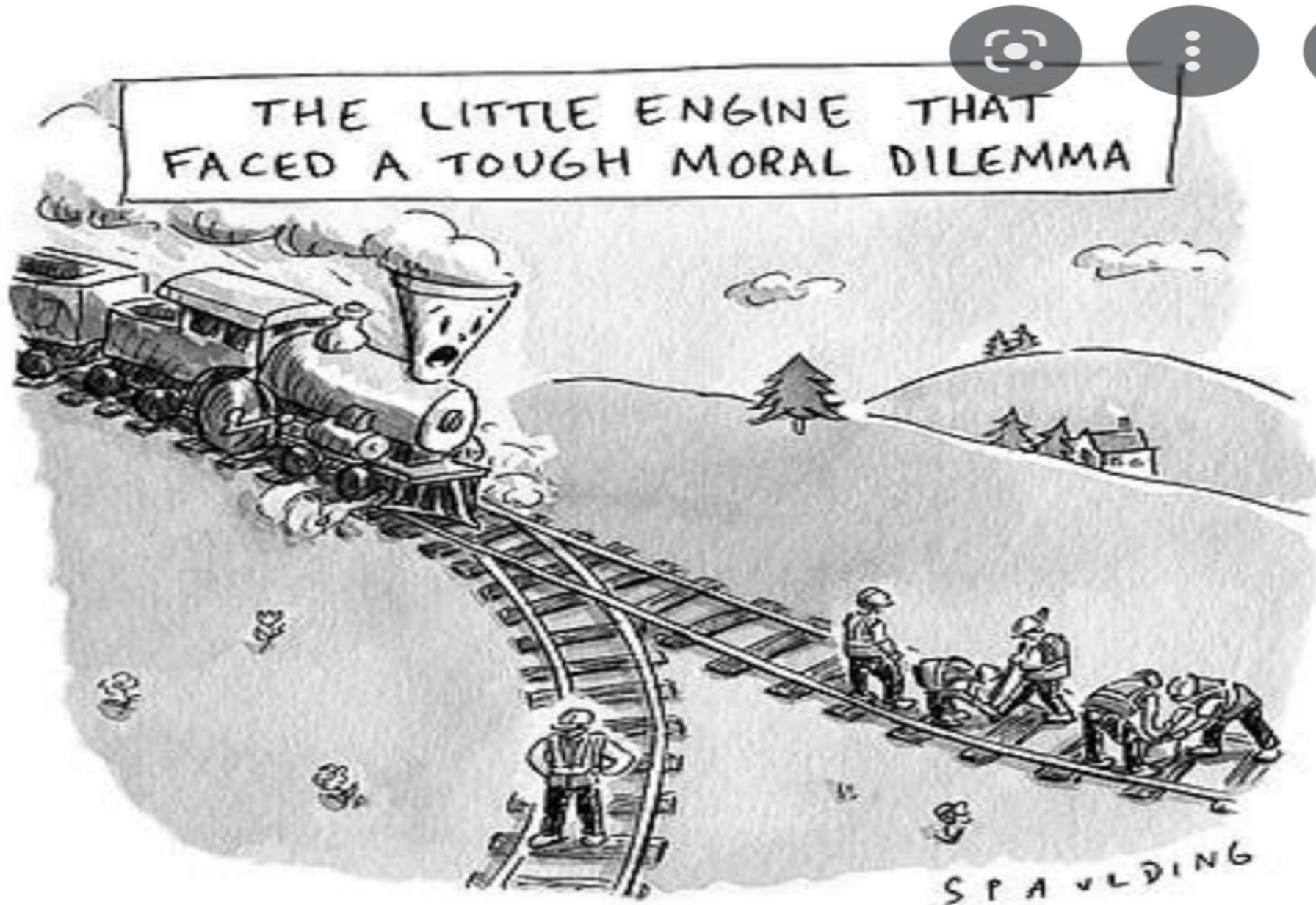
... BBC

Japan Airlines: Coastguard plane not cleared for take-off, transcripts show

SECOND MIRACLE in 2024



ETHICAL JUDGMENT TIME



Four Cornerstones of Ethical Behavior



ETHICS

**Examines the Rational Justification
for our Moral Judgments, it Studies
What is Morally Right or Wrong,
Just or Unjust**

RESPECT

**Due Regard for the Feelings, Wishes,
Rights, or Traditions of Others**

HONESTY

Speaking and Acting Truthfully

INTEGRITY

**Making Commitments
&
Sticking to Them**

CHALLENGER Jan. 28 1986



Sally Ride NASA signe...

FOLLOW THE SCIENCE

The day before the launch, Thiokol engineers and executives met with NASA (agency) on a teleconference with **Roger Boisjoly** & **Arnold Thompson** – **they** were the most knowledgeable experts on O-rings in the U.S.

The average temperature below **53** degrees could prevent the O-rings from sealing properly. **DELAY the LAUNCH**

EXPLOSION

Day of the launch – Florida 26 degrees - Engineers at Morton Thiokol builder of the shuttle's solid rocket warned the rubber O-rings could become brittle in cold weather causing fuel gases to leak.

FINAL 73 SECONDS

Thiokol executives requested a private caucus.

Engineers were excluded from the final vote

Management executives informed NASA that the launch was approved

Management considered Boisjoly disloyal & was removed from Thiokol's investigation team

BOEING'S MANUFACTURING & SOURCING MESS



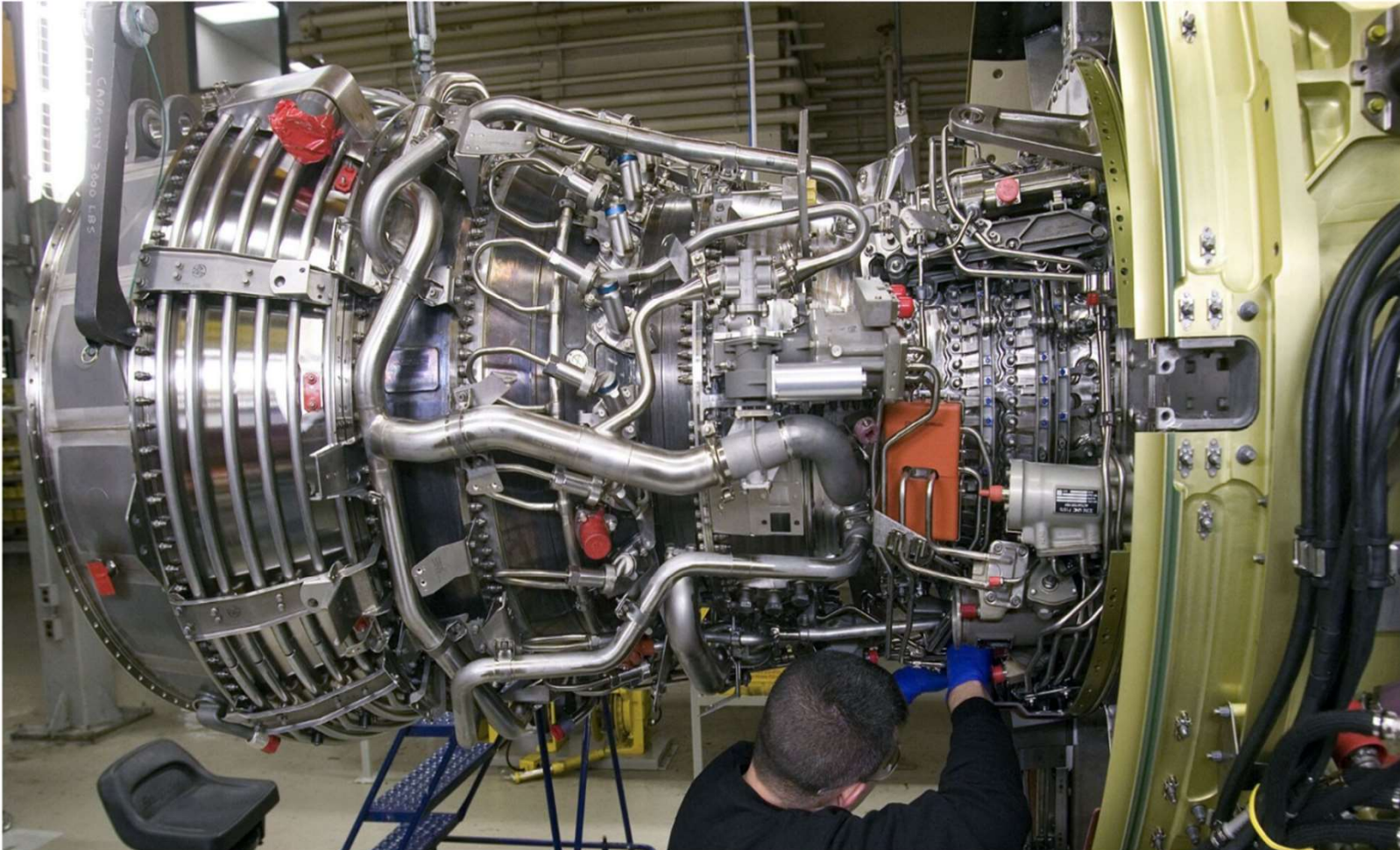
‘This Has Been Going on for Years.’ Inside Boeing’s Manufacturing Mess.

Outsourcing worried engineers and sparked battles over quality before a door plug blew out on an Alaska

Act
Go to

Fake Plane Parts Scandal Shows Peril of Antiquated Paper System

- Digitization push slowed by methodical pace of industry change
- Airlines, repair shops boost scrutiny after Bloomberg reports



FRAUD in the AIR Dec. 2023

LONDON, Dec 6 (Reuters) - **Britain's Serious Fraud Office** said it made one arrest on Wednesday after launching a criminal investigation into allegations that London-based firm AOG Technics had distributed fake parts for aircraft engines.



The SFO said it raided an address in the London area and seized material about possible fraud by AOG Technics, which is accused of supplying falsely documented parts for use in the world's most-sold passenger jet engine, the CFM56.

BOEING **MONEY** INCENTIVE

Beginning in 2022, the aircraft manufacturer changed its incentive plan from giving executives bonuses based on passenger safety, employee safety, and quality to rewarding them if they hit climate and DEI targets, according to CORP filings.

MARKETING vs. SCIENCE

common sense

150 Million PSA vs 6000 PSI



A group inside the Titan submersible on a previous occasion | CREDIT: American Photo Archive/Alamy/PA

For \$250,000 (£195,000) a person, OceanGate offers an eight-day tour to view

EXPOSITION vs. IMPLOSION

Inside Titan: the Titanic tourist submersible 'that can withstand 150 million pounds of pressure'

Conditions inside the 22ft-long Titan vessel are cramped and there are

HATS OFF TO FLYER

Kelly (Mom); Romy (Baby); Meegan (Crochets)

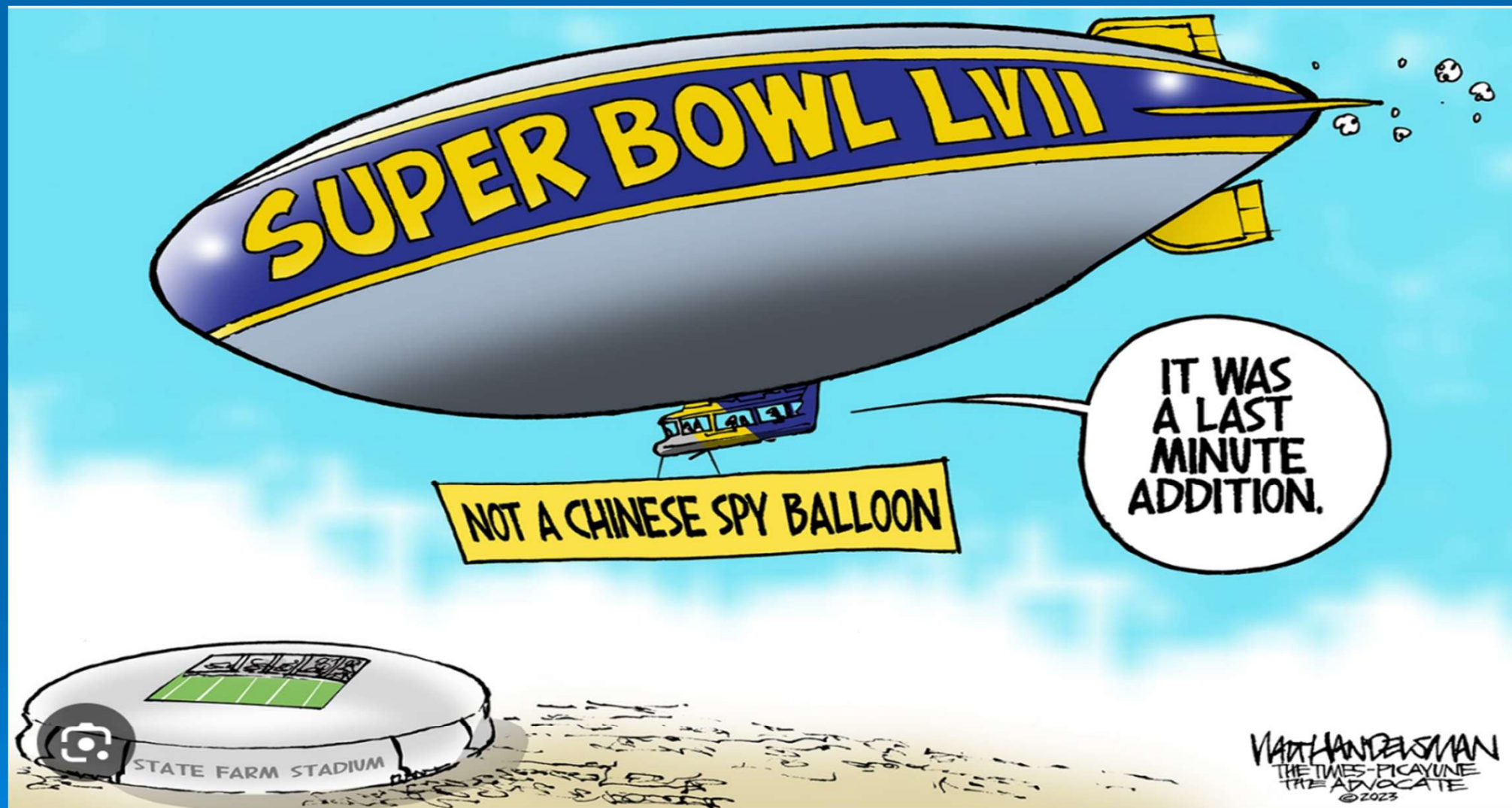


Finally, friendly skies! Mom traveling with baby stunned by a stranger's kindness

January 11, 2024 | 4:45pm

This trip didn't end in tears.

LVIII



Editorial cartoons for Feb. 12, 2023: Chinese spy balloon, Super Bowl, State of the Union -...

Visit >

THREAT WAS EXAGGERATED

INVESTIGATIONS

U.S. intelligence officials determined the Chinese spy balloon used a U.S. internet provider to communicate

An American intelligence assessment found that the balloon used a commercially available U.S. network to communicate, primarily for navigation, U.S. officials say.

PENALTY FLAGS Tossed in London October 2023

PENALTY FLAGS

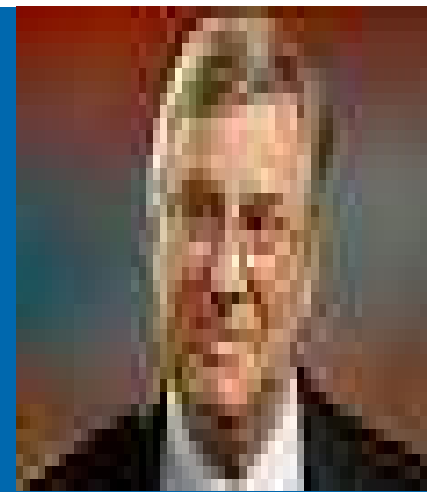


OUT OF BOUNDS:
Buffalo Bills Senior VP
Kathryn D'Angelo and
COO John Roth were
dismissed after "brazen"
romantic behavior while in
London for a game against
the Jacksonville Jaguars.



Buffalo team execs fired over affair

No More Free Tickets



Kathryn D'Angelo Former NY prosecutor

Join the Buffalo Bills in 2016

Promoted to general counsel and senior vice president of business administration for the Buffalo Bills

Terry Pegula

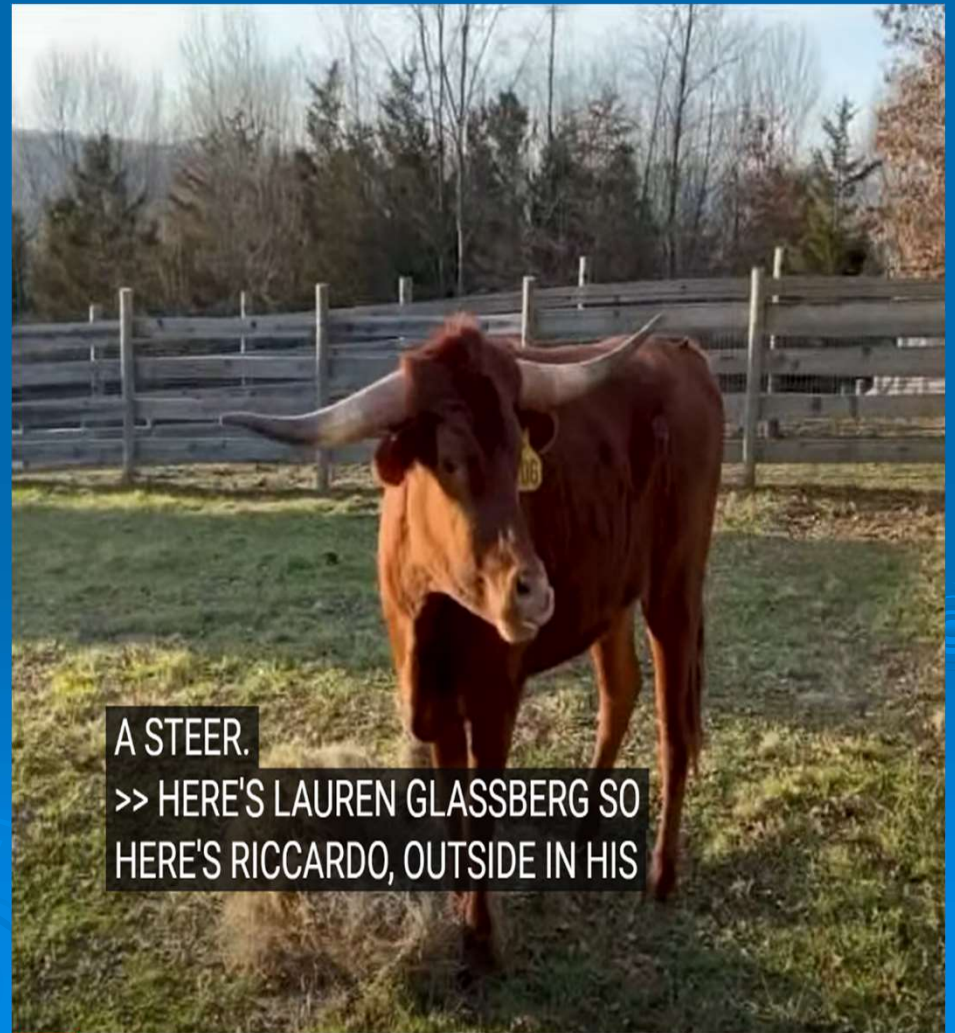
John Roth recently named Chief Operating Officer of both the Bills and NHL Buffalo Sabers

BULL MARKET **Riccardo**

NVIDIA 250% **Happy Ending**



RAN ALONG NEW JERSEY TRANSIT TRACKS UNTIL HE WAS FINALLY CORNERED. NOW



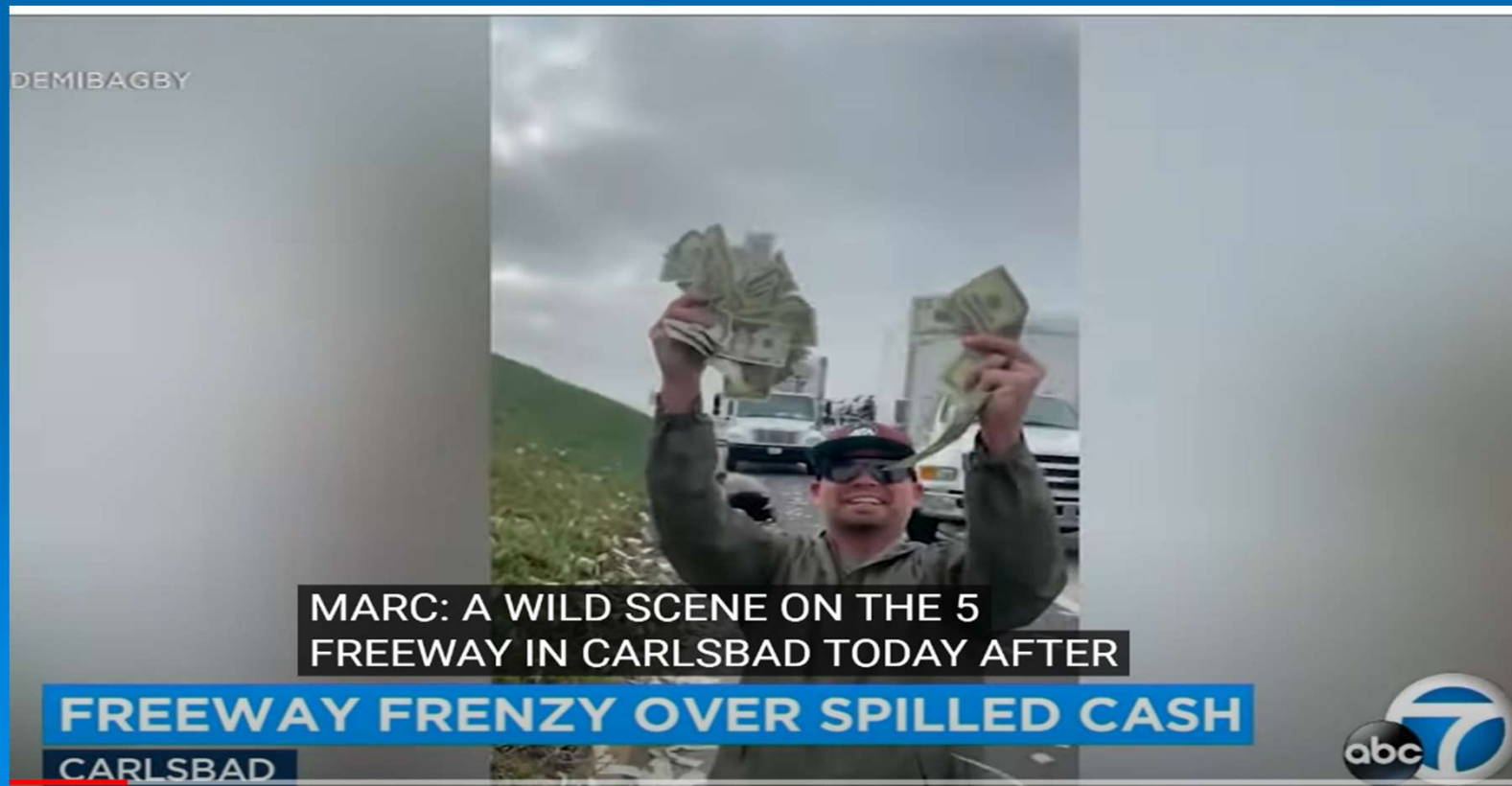
A STEER.
>> HERE'S LAUREN GLASSBERG SO
HERE'S RICCARDO, OUTSIDE IN HIS

NO ETHICAL COMMENT



What Is Ethics?

Ethics involves making the right decision even when one's actions are **'not'** under scrutiny



Not a happy hour: Beer truck overturn, dumps cans on highway

Associated Press

Published 8:43 p.m. ET Aug. 11, 2015



Rectangular Snip



Know Your Customers



WHY STUDY ETHICS?

- **Become more principled** **Read Books on Enron**
Arthur Anderson
- **Proper ethical conduct is critical for professionals**
- **Decisions made are important to clients, employers**
and to individuals investigated **People Rely on You**
- **Ethical behavior will help with tough decisions**

Why Have a Code?

- Shows Employees you are Responsible
- Show Customers you Value Integrity
- Prevents ‘innocent’ Violations of Ethics
- Provides a Clear Point of Reference when enforcing **Corrective** Action

ACFE Ethics

- Do the right thing?
- Rules to distinguish between right & wrong
- ACFE Bylaws (11th Ed)
- ACFE Code of Professional Ethics
- ACFE Code of Professional Standards
- Guidance on Code of Professional Standards

KEY CONCEPTS for CFE's

BIAS

INTEGRITY

KNOWLEDGE

COMMUNICATION

OBJECTIVITY

COMPETENCE

OPINION

CONFIDENTIALITY

PREJUDICE

COURAGE

RELEVANT

HONESTY

SKILLS

Why Do CFEs Need Ethics?

If you do not have a Code – then – you must be unethical & unprofessional.

Integrity is critical & Character is important

Provides a standard in which to investigate

It's the right thing to do

PROFESSIONAL CODES of ETHICS

- **SERVES** as a **REFERENCE** and **BENCHMARK** for **Ethical Guidance**
- **Details the Criteria for Conduct Particular to a Profession**

PROVIDES GUIDANCE

New Territory for the U.S. Supreme Court

U.S. Supreme Court Code of Conduct

1 Justice Uphold the **Integrity** and **Independence** of the Judiciary.

2. A Justice Should **Avoid Impropriety** and the **Appearance of Impropriety** in All Activities.

3. A Justice Should Perform Duties of Office **Fairly, Impartially,** and **Diligently.**

4. A Justice May Engage in Extrajudicial Activities that Are **Consistent with the Obligations of the Judicial Office**

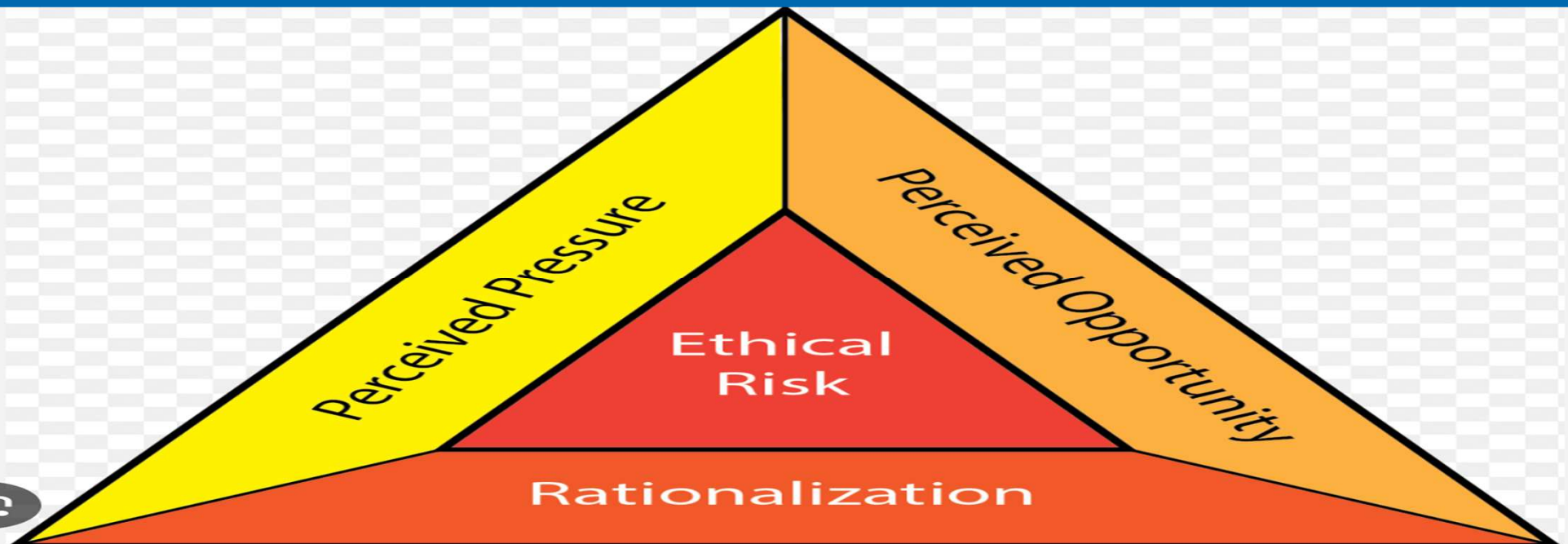
5. A Justice Should **Refrain from Political Activity.**

Define Ethical Behavior?

Never look the other way

or

Rationalize Questionable Actions



Ethical Lapses

An ethical lapse occurs when an individual engages in behavior that does not comply with the ethical standards to which the individual aspires.

When a CFE fails to comply with the Organization's Code of Professional Ethics – it means there is an ethical lapse.

ETHICAL BLIND SPOT

TEN YEARS AS A PRINCIPAL

Does *this* look like a door handle?



Breitbart News



This is the fire alarm handle that Rep. Jamaal Bowman pulled as his fellow Democrats were trying to delay a key vote to fund the government Saturday night. The far-left Democrat astonishingly claimed he thought pulling the alarm would open the door despite the bright red box being clearly marked with the word "FIRE."



Rep. Bowman's absurd alarm excuse exposed

PAGES 10-11

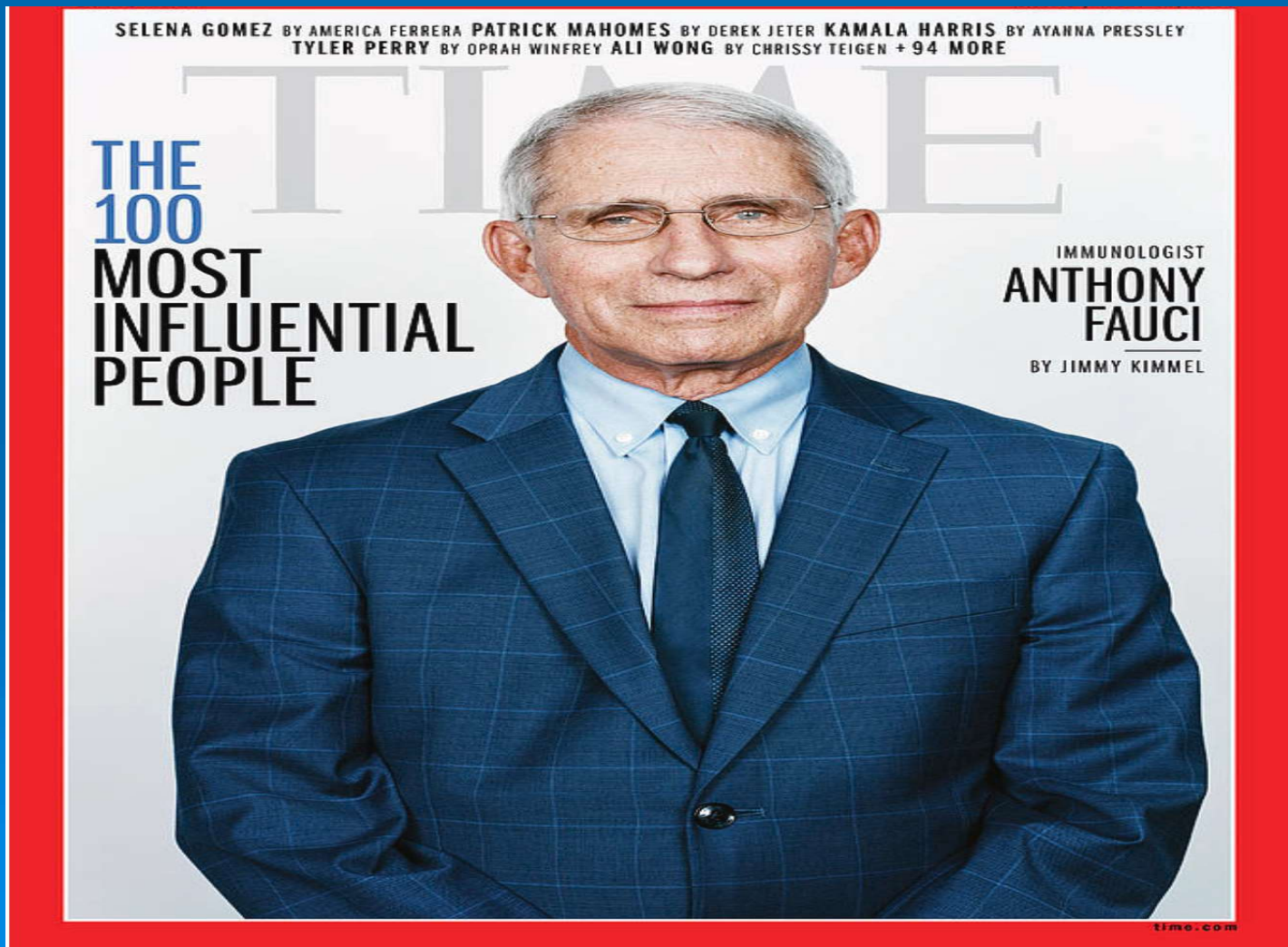
STUNT or Not-to-STUNT

\$1,000 fine



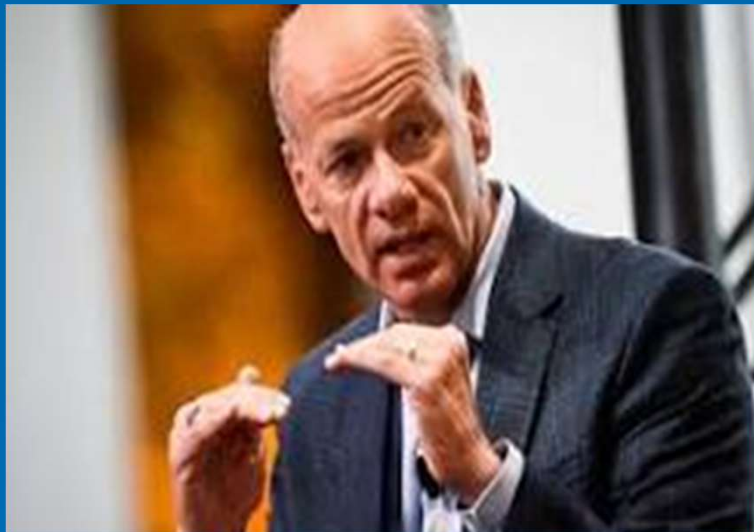
Fauci Said He ‘Did Not Recall’ Specifics on Covid Origins, Pandemic Policies over 100 Times in Closed-Door Testimony Jan-10-2024

“Key COVID safety rule just sort of appeared”



PRE-COLLAPSE STOCK PROBE **Mar.10 closed**

GREG BECKER



CEO of SVB Financial
Exercised options to buy
12,451 shares in SVB on
Feb. 27 2023 and sold
them the same day.

1/12 Board - Banking

\$2.3 million in profit

Chair GOLD BAR SENATOR FRC



Ex-SVB CEO Is Asked If He'll Return His Bonus

FOLLOW THE GOLD BARS

Play (k)

>>

BREAKING NEWS

GOLD BARS FOUND IN SEN. MENENDEZ HOME LINKED TO 2013 ROBBERY

1:15 / 4:42

NBC NEWS SUBSCRIBE

Gold bars featured in Sen. Menendez bribery case linked to 2013 robbery

GOLD BARS in the SAFE

CONGRESS

Gold bars featured in Sen. Bob Menendez bribery case are linked to a 2013 robbery, records show

A businessman told police that he was the victim of a robbery and asked them to recover 22 stolen gold bars. Some of the bars were found a decade later in Menendez's home.

Chair of FDIC Revises Answer 11/16/2023 Toxic Environment (20 Years)



SPANISH KISS Post WORLD CUP

FOX

**FIFA WOMEN'S
WORLD CUP 2023**

LIVE

MOMENT, AND IT WAS FOLLOWED BY THIS.

WORLD CUP KISS OUTRAGE

CALLS CONTINUE FOR SPAIN SOCCER CHIEF'S RESIGNATION

NY POST 1/12/2024



SNEAK PLAY: ESPN made up fake members of award-winning production teams, then changed the names and gave the trophies to on-air talent.

ESPN STATUE OF FIBBERTY

To get trophies for ineligible on-air personalities, ESPN used fake names (below) and re-engraved.



Scam to get on-air talent Emmys

By NATE DIXIE

The award for most creative studio staffing goes to... ESPN.
The network made up fake names for Emmy Awards in order to obtain statuettes for on-air talent who were ineligible to receive awards, only for the National Academy of Television Arts & Sciences (NATAS), which oversees the Emmys, to find the scheme, according to *The Athletic*.
ESPN had operated the scheme since 2019 by submitting the names of fake individuals with the same initials as their work under the guise of "associate producers," so engraving the statuettes and then delivering them to their on-air personalities, according to the report.
This scheme helped secure best work for the on-air talent behind the success of "College Gumbo."
The names were not eligible to be honored for a best show award until 2021 because there are separate categories for individual awards.
"Some members of our team were clearly wrong in submitting certain names that may go back to 2017 in Emmy categories, where they were not eligible for recognition," an executive said.

This was a mis-guided attempt to recognize on-air individuals who were important members of our production team," ESPN said in a statement to *The Post*.
"Once current leadership was made aware, we apologized to NATAS for violating guidelines and worked closely with them to completely overhaul our submission process to safeguard against anything like this happening again."
Naming 'names'
Names such as Lee Corso (fake name: "Lee Clark"), Sam Houston ("Dirk Henry"), Chris Fowler ("Chris Faltzer"), Deshaun Howard ("Dirk Howard"), Tom Rinaldi ("Tim Richard") and Sam Ponder ("Steven Ponder") were among those to receive the 25-year Emmys.
The report additionally suggests that Academy might have received an Emmy through the scheme ("Dirk Howard" was the name on the credit list) and highlight a photo of "reporter" and host Linda Cole showing off Emmy statuettes that she would have been ineligible to receive.
"You have to remember that these

personalities are so important, and they have eyes," a person involved in the ESPN Emmy submission process to *The Athletic* said.
The report noted "there was no evidence" the on-air talent was in on the scheme or aware the trophies were obtained through subterfuge.
ESPN's participation included the re-creating of the trophies, a one-year ban from the Emmys for senior leadership, along with two individuals, ESPN executive Greg Lutzow and former ESPN employee and "College Gumbo" creative Lee Filling, being named ineligible for future Emmys.
This scheme played a role in why Filling, who was a senior vice president of production and in touch with WWE, was let go by ESPN this past August, according to *The Post's Andrew Marchant*.
"I think it was really creepy what they did to several athletes," co-ESPN player Shelley Smith, who had two fake Emmy statuettes, said *The Athletic*.
NATAS asked ESPN to verify names in 2022, and ESPN admitted to the fake names. The statute grant has returned 17 trophies, according to the report.

ANOTHER ETHICAL LAPSE In Houston

Bankruptcy Judge Resigns Amid Misconduct
Appellate Court Appointed **David Jones**
What did Bankruptcy Judge Fail to Disclose?



U.S. Bankruptcy Judge David Jones, who oversees more major Chapter 11 cases than any other U.S. judge, is seen in a screenshot from video

David believed no need to disclose - single

David failed to disclose his romantic relationship with bankruptcy lawyer Elizabeth Freeman.

David and Elizabeth had been in this relationship for years and lived together at a home in the Houston area

Elizabeth worked on many corporate large reorganizations

As a Judge in Bankruptcy Court David gets to approve?

Jason Schofield **‘former’** Election Comm. at Rensselaer County Board of Elections



Pled Guilty

to Election Fraud 1/11/2023

**Dec. 2023 Troy City Council GOP nominated
Jason to be Assistant City Clerk {NO}**

Ethical and/or Legal

Former elections commissioner, guilty of voter fraud, selected for Troy city job

by Briana Supardi | Fri, December 29th 2023



After pleading guilty to voter fraud charges in January 2023, former Rensselaer County GOP elections commissioner Jason Schofield has been selected for the position of Assistant City Clerk in Troy. (WRGB)

GUILTY VERDICT on Security Fraud



I SCAMMED THE TRUCKING WORLD & BECAME A BILLIONAIRE

3:02

YouTube

Nikola Made A Fake Commercial Showing A Semi Truck With No Motor Going Down A Hill 🙄

Uploaded by: Mutha Trucker - Official Trucking Channel, Nov 15, 2021

Watch

The image is a YouTube video thumbnail. At the top, there is a large, stylized red and black text overlay that reads "I SCAMMED THE TRUCKING WORLD & BECAME A BILLIONAIRE". Below this, the main image shows a white U.S. Xpress semi-truck on a road, with a man in a blue suit and glasses smiling in the foreground. A "3:02" duration indicator is in the bottom right of the video frame. Below the video frame, the YouTube interface shows the channel name "Mutha Trucker - Official Trucking Channel", the video title "Nikola Made A Fake Commercial Showing A Semi Truck With No Motor Going Down A Hill" (with "No Motor Going Down A Hill" underlined in yellow), and the upload date "Nov 15, 2021". A "Watch" button is also visible.

Sentence to 4 Years in Prison Dec. 2023

"My intent was not to harm others," Milton told Judge Edgardo Ramos. "Let me have probation."



Trevor Milton, founder of Nikola Corp., arrives at court in New York, Dec. 18, 2023.

What Did Trevor Milton Do?

- Founded Nikola in 2015
- Public in 2020 @ **Valuation** of \$3.3 Billion

NOT ONE TRUCK SOLD

One court security fraud

Two counts of wire fraud “each counts nets 20 years”

HE LIED

Truck Driver Bonus Per Driver

1. \$500
2. \$5,000
3. \$50,000
4. \$100,000



THEIRANO'S

Elizabeth Holmes (9 Years)
Two Children \$452 Million
Restitution



Ramesh Balwani (13 Years)
Oversight and control over
lab



BLOOD MONEY DONORS in Millions

- **Walton Family** \$150 M
- **Murdoch** \$125 M
- **DeVos Family** \$100 M
- **Cox Family** \$100 M
- **PFM Health Services** \$ 96 M
- **Carlos Slim** \$ 30 M
- **Andreas Dracopoulos** \$ 25 M
- **Robert Kraft** \$ 1 M

**There is No
Monopoly on**

Stupidity

ETHICAL “It’s Not Unusual” Tom Jones

Spouse swap: ‘GMA’ hosts Amy Robach and TJ Holmes’ exes are reportedly dating, too



**WORD OF THE YEAR IS NOT a
WORD**

Collins Dictionary Publisher

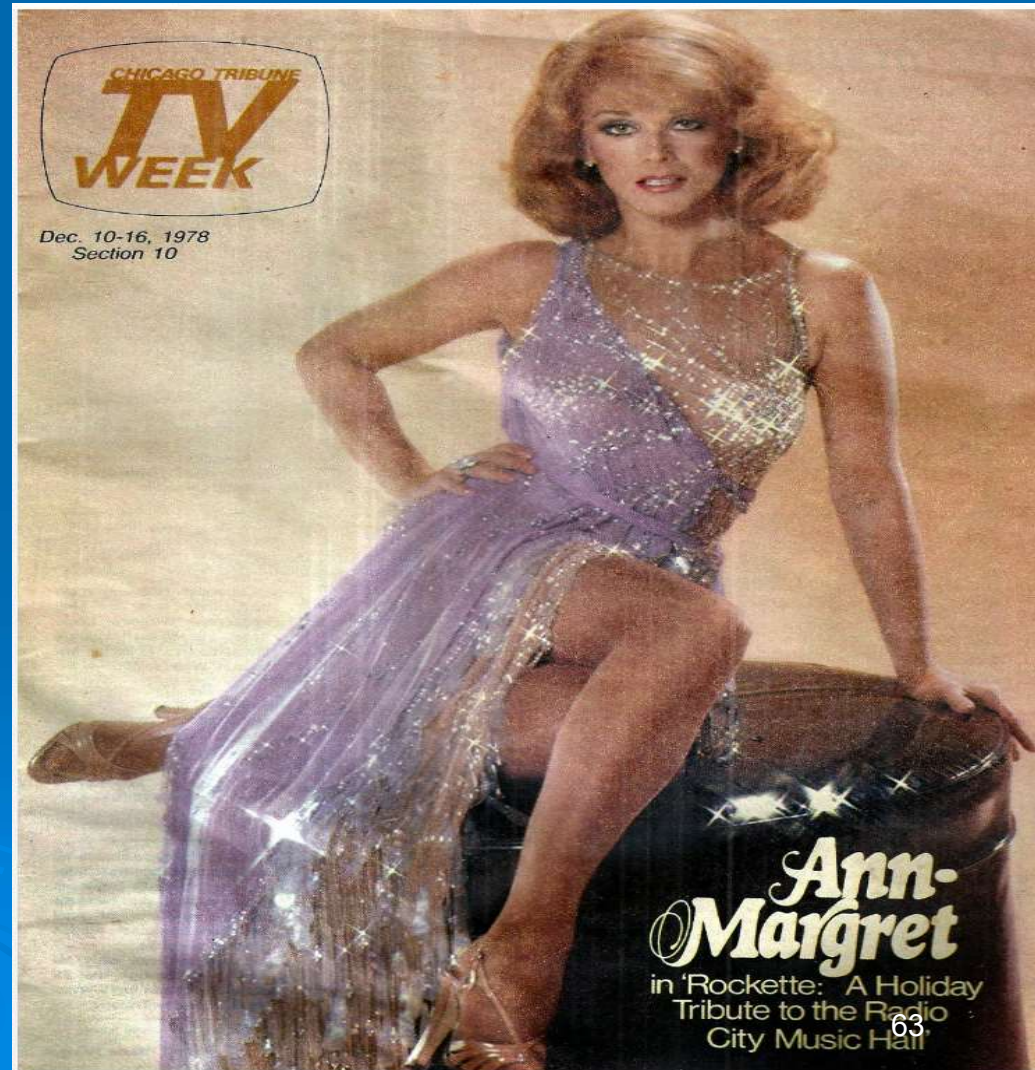
AI (aka)

Artificial Intelligence

“1989” PRE Photo-Shop and PRE AI

OPRAH WINFREY

ANN MARGRET 78



**WOULD YOU HAVE AI
Compose Your Wedding Vows?
Swift Create The Lyrics?**



I JUST WANT TO SAY
TWO WORDS TO YOU,
JUST TWO WORDS...

ARTIFICIAL
INTELLIGENCE!

WHO DOES HE THINK
WROTE MY
FINAL THESIS?



THE GRADUATE 2023. 

UNELL SPECIAL TO THE STAR 5-10-23



ACFE
Association of Certified Fraud Examiners

*Together, Reducing
Fraud Worldwide*

Membership & Certification Events, Training & Products Fraud Resources

[Who We Are](#) | [Our People](#) | [The CFE Credential](#) | [Press Room](#) | [ACFE Foundation](#)

Code of Ethics

All ACFE Members must meet the rigorous criteria for admission to the Association of Certified Fraud Examiners. Thereafter, they must exemplify the highest moral and ethical standards and must agree to abide by the bylaws of the ACFE and the Code of Professional Ethics.



ETHICAL DILEMMAS

Conflicting but arguably valid sides

Individuals Must Make

CODE of Professional Ethics

Choice Between Alternatives

Right Choice is Not Always a Clear Choice

Ted Kaczynski **aka** Unabomber

**Died: June 10, 2023,
FMC Butner,
Bahama, NC**

**HAVARD @ 16-20
Michigan MS @ 20-22
Michigan PhD. @ 22 -25
Brother Resident - Area**



Sentenced to 5 Years Probation + 1,000 CS

The Limo Operator From A 2018 Crash That Killed 20 People Will Avoid Prison Time

September 2, 2021 · 6:06 PM ET

THE ASSOCIATED PRESS



INSTEAD: Five to 15 Years

Nauman Hussain



News

Hussain sentenced to 5-15 years in prison for Schoharie limo crash

Lucas Willard, May 31, 2023

The operator of the limo company involved in the 2018 Schoharie crash has been sentenced to 5 to 15 years in prison.

TEEN Killer's Parents Set To Face Trial

- Before Ethan Crumbley killed four students (Detroit), his parents met with school officials – drew picture of hand gun – the thoughts won't stop.
- Parents refused to take Ethan home to seek help and parents did not inform school officials they bought Ethan a gun like the one in the drawing
- Ethan killed four students - life without parole – parents are facing involuntary manslaughter

MOTHER of the SIX Year Old {To two years} child neglect

Code of Professional Ethics

Section I

ACFE Member shall demonstrate a **commitment to professionalism and diligence in the performance of his or her duties.**

UVALDE May 2022

Report January 18, 2024

- Attorney General Merrick Garland
- DOJ 600-page blistering report
- Gunman killed 19 fourth graders & two teachers
- **400 law enforcement unprofessional**
- Victims trapped – for over an hour
- Children called 911 to plead for help

UVALDE HORROR

First officers on the scene failed to recognize active shooting even as gunfire continued inside classrooms

**Officers followed then Uvalde School district Police Chief Pete Arredondo's lead –
“Contained Subject”**

No person took command

UVALDE HORROR

Arredondo left his radio behind – limited communications

Hundreds of cars blocked emergency from responding

Wounded children were placed in school buses to seek medical aid

TIME LINE

11:33 a.m. shooter enters the school

11:35 a.m. officers 11 officers arrive

**School Police Person take control or
ranking office**

**Officers approach classrooms – hit with
shrapnel – officers retreat – now treat as
barricaded shooter – officers delay –
search for keys – clear other classrooms**

75 MINUTES

12:12 p.m. Chief of Police learns the room is full of victims

12:21 p.m. Shooter fires four more shots inside the classroom

12:46 p.m. Officers find keys to enter room

12:50 p.m. Shooter is killed by border team

Code of Professional Ethics

Section II

ACFE Member shall not engage in any illegal or unethical conduct, or any activity which would constitute a **conflict of interest** that has not been properly disclosed to the appropriate parties.

CONFLICT of INTEREST

FANI WILLIS DA
Atlanta Prosecutor RICO
case involving Trump and
others – Elections – seeks
outside counsel

NATHAN WADE
hired as special prosecutor
to handle Trump's election-
interference case



DEVIL is in the DETAILS



1. Nathan signs Contract started on Nov. 1, 2021
2. Filed for Divorce Nov. 2, 2021 (26)
3. Fees so far \$700,000
4. Trips – Cruises
5. No approval by Board.

Conflict of Interest



Code of Professional Ethics

Section III

ACFE Member shall, at all times, exhibit the highest level of **integrity** in the performance of all professional assignments, and will accept only assignments for which there is reasonable expectation that the assignment will be completed with professional competence.

Congresswomen Elise Stefanik 21st District



December 8, 2023

**Representative Elise Stefanik,
Republican of New York, repeatedly
asked the presidents of M.I.T., Harvard
and the University of Pennsylvania **if
calling for the genocide of Jews violated
the code of conduct at their schools.****

CONTEXT

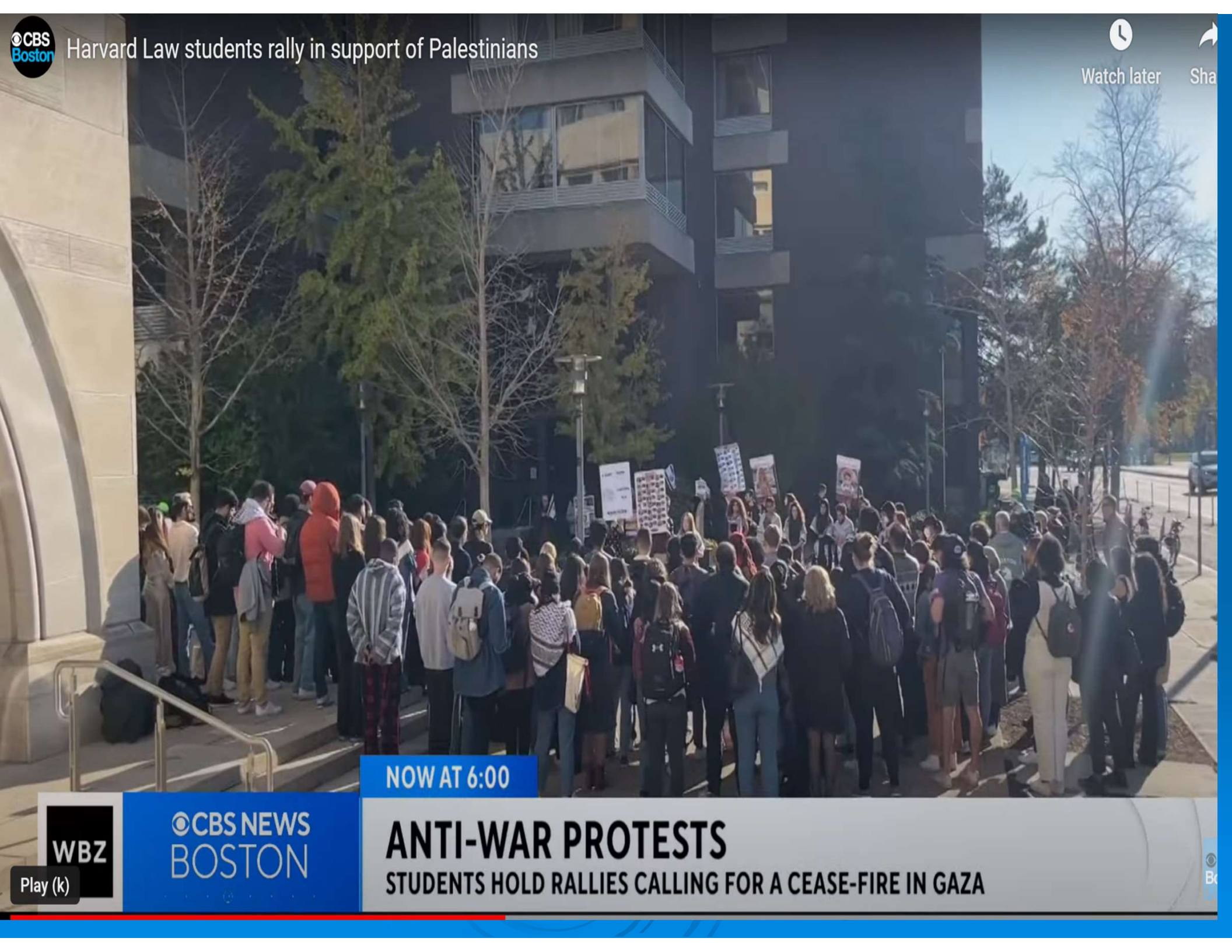


32. Moral contextualism

The view that ethical norms are not absolute but are dependent on the specific context. A risk is that the context fully determines what is ethical.

.KURF.

Activate Windows
Go to Settings to activate Windows.



Harvard Law students rally in support of Palestinians



Watch later



Share

NOW AT 6:00

WBZ

CBS NEWS
BOSTON

ANTI-WAR PROTESTS

STUDENTS HOLD RALLIES CALLING FOR A CEASE-FIRE IN GAZA

Play (k)



Kornbluth (MIT) Magill (PENN) GAY (HARVARD)



DEVELOPING
NOW
0:50 / 2:23

COLLEGE PRESIDENTS DEFEND ANTISEMITISM RESPONSE



Consolation Prizes

Dr. Gay - Likely Earn \$900,000

Harvard

Will Retain Tenure

Prof. Political Science

Dr. Magill - Will retain her position

Penn

Prof. at Law School

Dr. Kornbluth Remain as President

MIT

STUDENT SUIT vs. HARVARD

- Group of Students filed a federal discrimination lawsuit against Harvard claiming university officials employ a “double standard” whereby they protect other groups from discrimination and harassment – but fail to do so when Jewish students are targeted. Melissa Koenig
- Meanwhile, Harvard requires students take a training class that warns that they will be disciplined if they engage in **Sizeism, Fatphobia, Racism, Transphobia, or Other Disfavored Behavior.** Jan. 2, 2024 M. Koenig

Supreme Court FAIRNESS

JUNE 2023 Court Guts College Affirmative Action
American Colleges can no longer consider race in
their admissions decisions.

Instead, they can try to build racially diverse
campuses through less-direct means

Students for Fair Admissions, Inc. (SFFA) v.
President & Fellows of Harvard College (Harvard)
and SFFA v. University of North Carolina (UNC)

INFLAMMATORY SPEECH

CUNY LAW Commencement May 2023

By [Valentina Jaramillo](#) and [Doree Lewak](#)

Published Oct. 6, 2023, 11:50 a.m. ET

Law in the Service of Human Needs



The City University of New York
CUNY SCHOOL OF LAW

DEI CAMPUS COSTS

- Univ. of Michigan \$30 million for 241 staffers
- Univ. of Cal. @ Berkeley \$36 million for 152 staffers
- Ohio State Univ. \$20 million
- Florida Universities \$32 million
- ROI?

STANFORD

- **What is the number of students attending Stanford?**
- **What is the number of administrators employed at Stanford**

LET'S REVIEW all FACULTY

Axel Springer Stands by Reporting
Investigating stories that alleged
plagiarism by Neri Ox, then designer and
former Massachusetts Institute of
Technology professor who is married to
**Bill ACKMAN – the Billionaire – the
person that campaign against Harvard**
WSJ 1/16/24

Stanford Resigns July 2023

- Stanford President Marc Tessier-Lavigne
- Stanford **board** of trustees determined that data were manipulated in some research papers
- President failed to decisively Correct mistakes
- Images were altered

BOARDS @ UNIVERSITIES

- MIT 75
- CORNELL 63
- BROWN 51
- PENN 51
- PRINCETON 37
- STANFORD 33
- DARTMOUTH 25
- COLUMBIA 19
- HARVARD 13
- SUNY NY 18 of which 15 selected by Gov.

GREAT EXAMPLE of INTEGRITY

Persons of the Year 2002

Select a Section

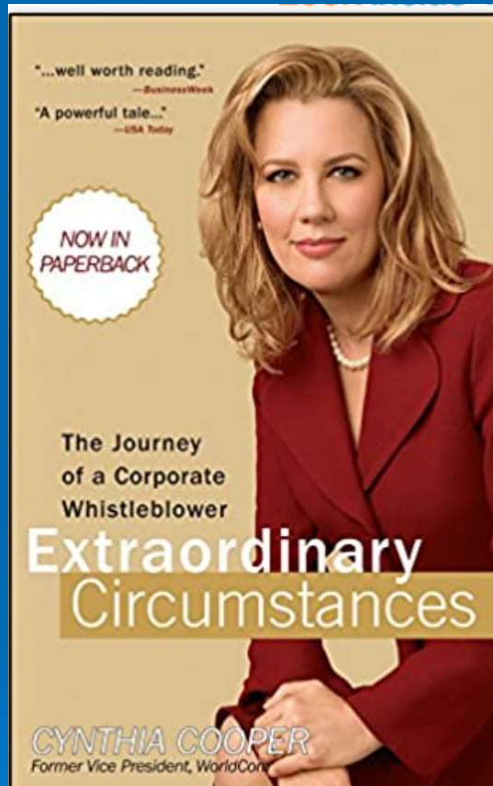


GREGORY HEISLER FOR TIME

The Whistle-Blowers

In a year when our trust in American institutions was tested, Sherron Watkins of Enron, Coleen Rowley of the FBI and Cynthia Cooper of WorldCom found the strength to stand for what's right [More »](#)

World-Com \$11 Billion Fraud



- Cynthia Cooper
- VP of Internal Audit of **Internal Audit** at World-Com
- Aided by Whistleblower
- Sixty Acquisitions 1995-2000
- Decreasing number of Internal Auditors
- Bernard Ebbers earned 25 years out at 13 years

SHERRON WATKINS of ENRON



Sherron Watkins is the Enron vice president who wrote a letter to chairman Kenneth Lay in the summer of 2001 warning him that the company's methods of accounting were improper. In January, when a congressional subcommittee investigating Enron's collapse released that letter. The Year of the Whistle-Blower began.

Stock \$95 to .25 per share

\$74 Billion Fraud



COLLEEN DOWLY of FBI

Coleen Rowley is the FBI staff attorney who caused a sensation in May with a memo to **FBI Director Robert Mueller** about how the bureau brushed off pleas from her Minneapolis, Minn., field office that Zacarias Moussaoui, who is now indicted as a Sept. 11 co-conspirator, was a man who must be investigated.

Lives Lost 2,996



LAWSUIT LOSS vs PENSION DENIAL

DEFAMATION Case

Verdict \$148 million



Two Georgia Poll Workers were defamed

Workers asked for \$48 Million

DC Court Jury awarded \$140 M

Rudy never filed his PENSION papers for retirement BENEFITS

Had papers been filed he would have received \$442,000 and would continue to receive \$26,000.

I don't know how to go about it."

Giuliani verdict: Darcy cartoon

Published: Dec. 19, 2023, 7:12 a.m.



New York City is known as the 'Big Apple' and is now also home to the even bigger lump of coal Rudy Giuliani who will have to sell his million dollar home to pay damages in his Georgia defamation case. Jeff Darcy/Cleveland.com

Sandra Day O'Connor



- **First Women On High Court, 1930-2023**
- **Served 25 years**
- **Retired in 2006**
- **Born in El Paso, Texas**

SIDE BAR {1}

FISH STORY “Herring”



U.S. SUPREME COURT {SCOTUS}
CHEVRON vs. NRDC

*Loper Bright Enterprises, Inc. v.
Raimondo & Relentless, Inc. v.
Dept. of Commerce* **Jan. 17, 2024**

CONTEXT **ethical?**

Chevron v. NRDC decided in 1984. **40 years ago**
(**Natural Resources Defense Council**)

Courts should defer to administrative agencies' interpretation of laws when the statutory text is silent or ambiguous.

In Practice – license for Congress to write vague laws that delegate legislative power to admin agencies

Congress Declined Funding NMFS Decided that Fisheries Foot **total** Cost

Family-Owned herring fisheries & vessel operators are challenging an obscure Commerce rule {**1976 Magnuson-Stevens ACT**} regulates fishery management and permits the **National Marine Fisheries Service (NMFS) AGENCY** that requires vessels to carry federal observers to enforce its regulations but only in narrow circumstances does the **ACT require fisheries pay for federal monitors**

So Where is the Ethical Violation?

Congressional members are elected - Bureaucrats are not elected

Government Defunded the Program

MFNS (Agency) Ruling: all **All Cost**
going forward will be paid by fisheries

13. Moral authoritarianism

The view that those who have authority possess moral supremacy and the right to command subordinates without the latter's consent. A risk is that subordinates are ordered to behave unethically.



SIDE BAR {2}

REALIZED or UNREALIZED

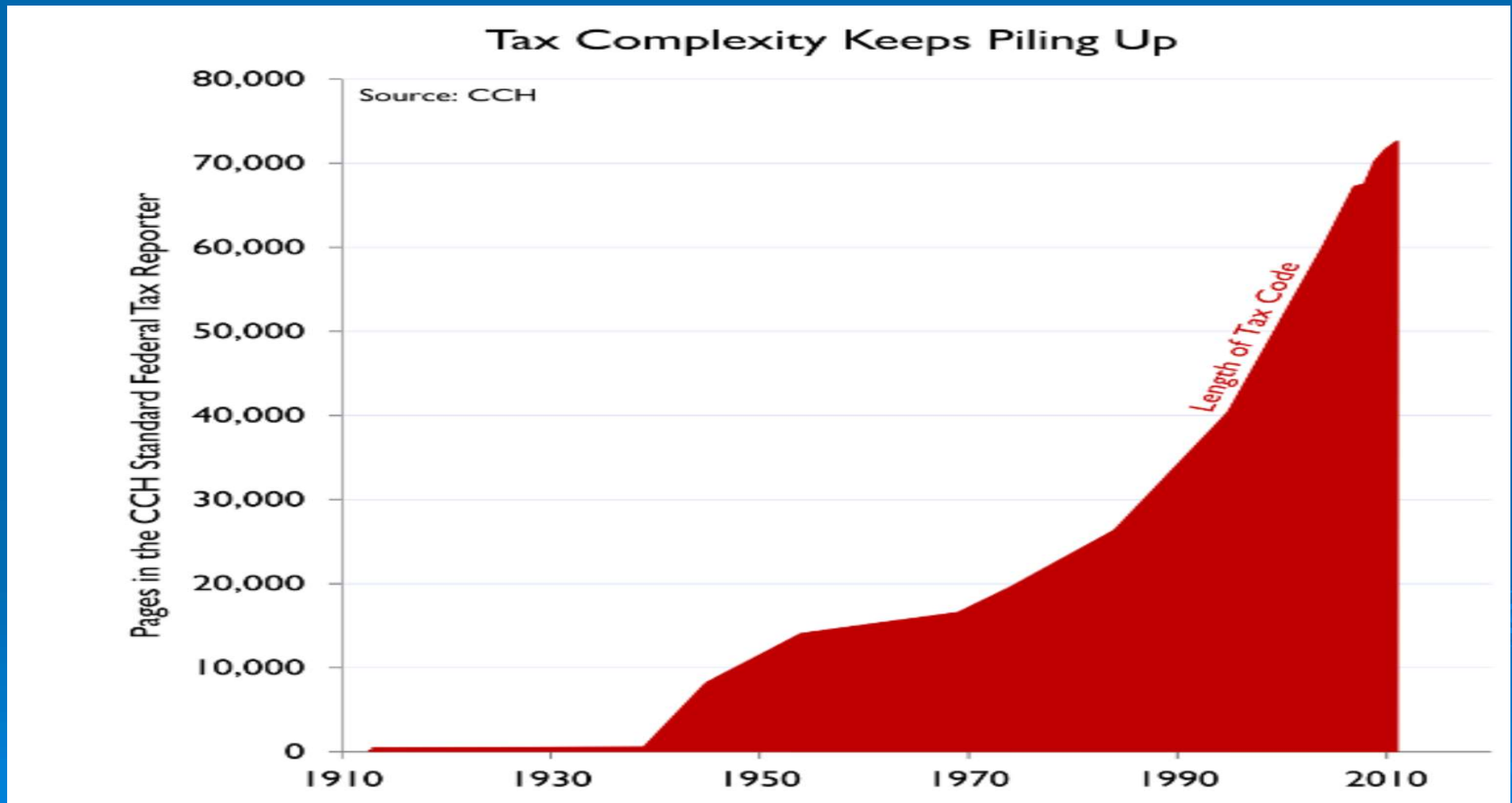
What's The DIFFERENCE ?

Moore v. U.S. Dec. 6, 2023 Arguments
Supreme Court will Decide the Definition of
INCOMES

16th Amendment to U.S. Constitution

"The Congress shall have power to lay and collect taxes on **incomes**, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration." **30 Words**

Counting 80,000 Tax Pages 80,000 IRS

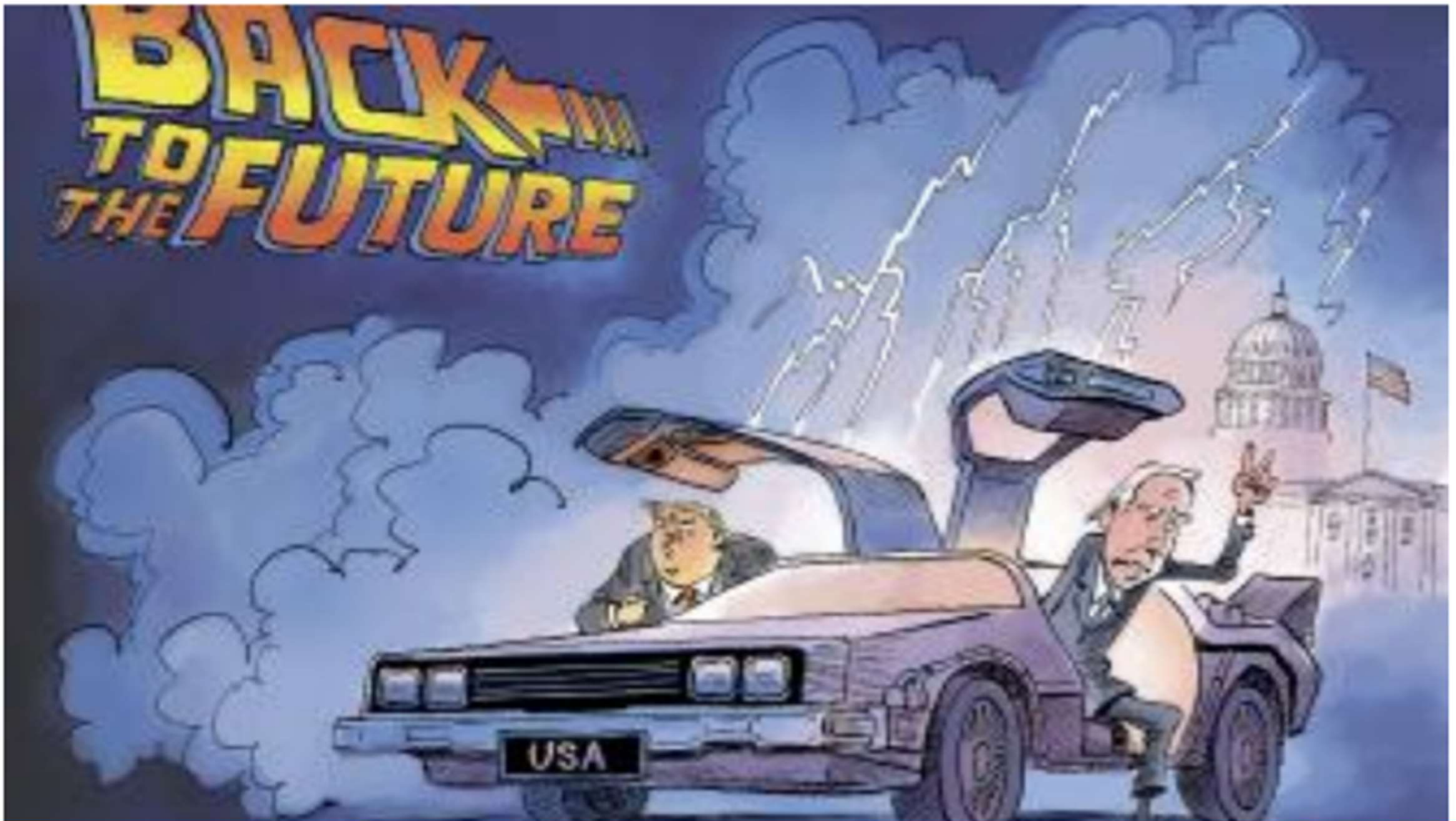


Code of Professional Ethics

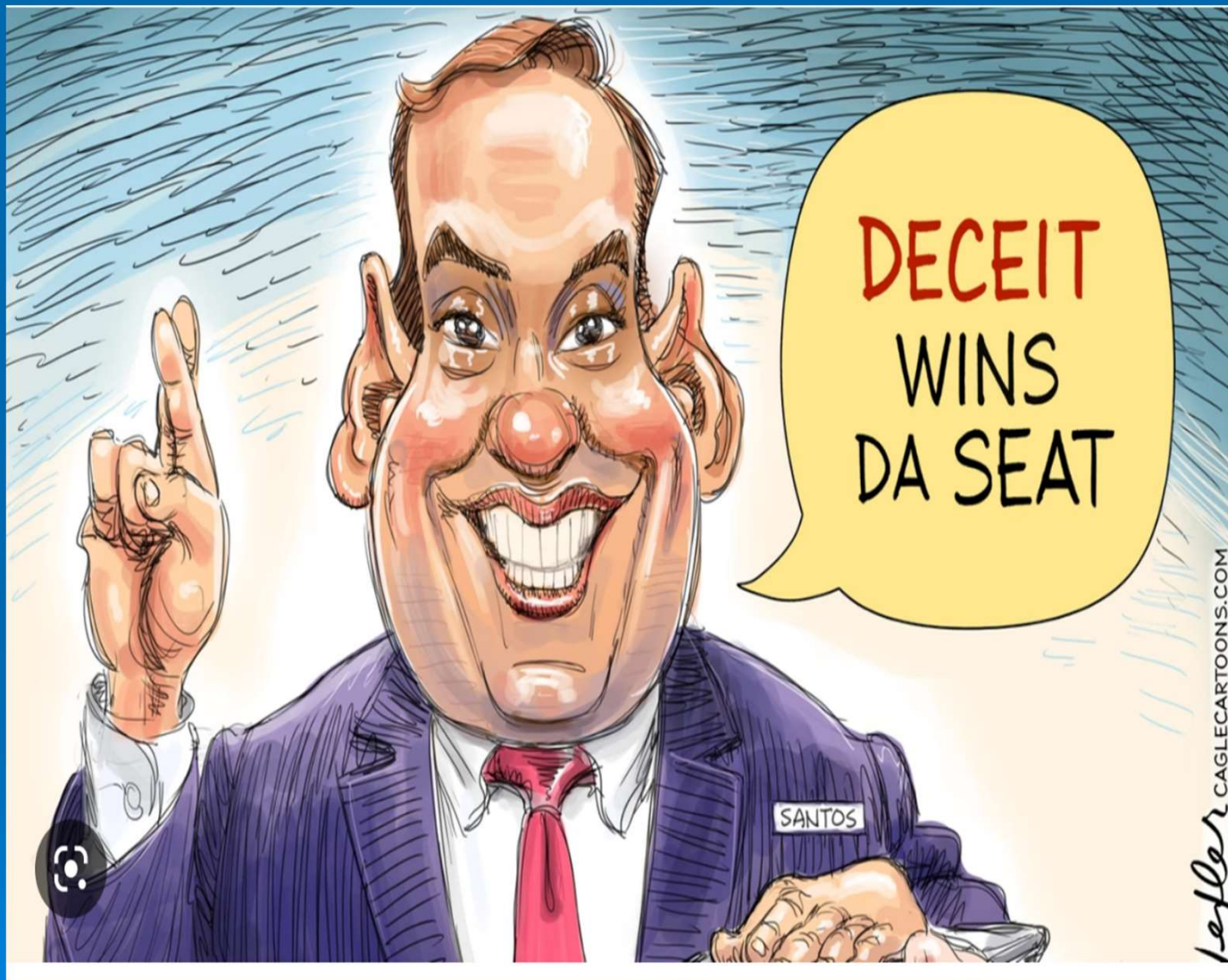
Section IV

ACFE Member will comply with the lawful order of the court, testify to matters truthfully & without bias and prejudice.

COMPLIANCE is not in their DNA



FINALLY FIRED



FANTASY LAND 2

- Mayor Adams says there's a "perception of fear" in NYC because newspapers "put [CRIME] on the front page..."
- Hochul says it's GOP "conspiracy" manufactured by "master manipulators" to convince people crime is rising.
- Total Crime Statistics are up 32% **NYPD Compstat**

JURORS GUILTY VERDICT

On All Counts **115 Years**



NON-FUNGIBLE HOUSING

MONEY MACHINE GIVE A WAY

- Gave to Democratic \$40 M and Republican parties
- Gave \$10 million to Biden's 2020 Campaign
- Gave to his "effective Altruism" you make money to give
- Congressional Committees sought his advice on regulatory matters
- He recruited Tom Brady and Spouse
- COZIED UP TO crypto regulators at the Commodity Futures Trading Commission [**CFTC**] the SEC
- **CLAW BACK PROCESS**

Died April 14, 2021 GUILTY



ACCOUNTABILITY

Why Didn't the SEC Stop FTX?

In 2008, after Bernie Madoff's Ponzi scheme was revealed, SEC Chris Cox promptly initiated investigation the SEC's failures.

Why didn't SEC Gary Gensler promptly initiate investigation of FTX?

TURF WAR SEC vs CFRC

➤ Security Exchange Commission. **SEC**

Commodity Future Trading Commission. **CFTC**

Rules dealing with crypto markets - where

SEC has embarked on a massive rule-making

Sam Sentencing is Schedule for March 2024

In addition to the seven charges Bankman-Fried has been convicted of, federal prosecutors also plan to hold a second trial focusing on alleged bribery, bank fraud and campaign finance violations, which will likely be factored into his sentencing.

Cuomo seeks to upend ethics panel, keep \$5M book payment 6/4/2023

LAW DEANS on Panels



IMPEACHMENT

Yesterday, Secretary of Homeland Security (DHS) Alejandro Mayorkas testified before the Committee, pushing a false narrative on the state of our border.



Photo of Secretary of Homeland Security (DHS) Alejandro Mayorkas

Secretary Mayorkas has **repeatedly said** that the border is secure, but at a recent field hearing by the Homeland Security Committee, that characterization was disputed by Raul Ortiz, Chief of the Border Patrol, who **said** that five of the nine southwest border sectors were not secure.

Code of Professional Ethics

Section V

ACFE Member will obtain evidence and other documentation to establish a reasonable basis for any opinion rendered. No opinion shall be expressed regarding the guilt or innocence of any person or party.

KPMG

Silicon Valley Bank failed just 14 days after KPMG gave the lender a **clean bill of health**

Signature Bank went down 11 days after the accounting firm signed off on its audit

“KPMG said it isn’t responsible for things that happen after an audit is completed”

Code of Professional Ethics

Section VI

ACFE Member shall not reveal any confidential information obtained during a professional engagement without proper authorization

Still resides in Jail



The 21-year-old is suspected of leaking classified Pentagon documents on Discord, a social media platform primarily used by online gamers.

He was indicted on six federal counts of willful retention and

- **Suppose to be maintain HVAC Units and answer phones Air National Guardsmen**
- **Indicted on 6 federal counts of willful retention and transmission of national military information, sharing classified documents online**

Posting Sensitive Pentagon Documents Gamer

**Air Force finds Pentagon leak
suspect Jack Teixeira acted alone
but disciplines 15 others for
dereliction of duty**

An Air Force inspector general's probe found Teixeira's unit "failed to take proper action after becoming aware of his intelligence-seeking activities."

LEAKER EXPOSED VIETNAM WAR SECRETS **115 Years**

- **DANIEL ELLSBERG** – Military ANALYST leaked the secret history of the Vietnam War AKA Pentagon Papers
- Photocopied the 7,000-page study on U.S. decision-making in Vietnam and gave it the Chair of the Senate foreign Relations Committee
- Two years he gave it to New York Times
- **Daniel Ellsberg Died June 2023 WATER-GATE**

Code of Professional Ethics

Section VII

ACFE Member shall reveal all matters discovered during the course of an examination, which if omitted, could cause a distortion of the facts.

Monkey – Money Business

- Charles River sets up Shell Company [Kandurt LLC] 3/23
- Buys 500 acres of land in Brazoria County
- Land is 50 miles south of Houston
- San Bernard National Wildlife Refuge 500 acres
- Houston metro area has a population of 6,800,000
- City of Houston Population is about 2,200,000
- Charles River needs federal & state permits

Now What Could Possibly Go Wrong?

Ready to propel your therapeutic success forward with integrated toxicology data?

Embrace the transformative power of our integrated toxicology data and revolutionize therapeutic success. Discover our newest Kansas site offerings today.

TAKE THE FIRST STEP →

Activate Wi
Go to Settings

ETHICAL? 43,000

Large monkey farm: Breeding - Lab Experiments -?



Code of Professional Ethics

Section VIII

ACFE Member shall continually strive to increase the **competence & effectiveness** of professional service performed.

YOUR ATTEND CFE PRESENTATIONS



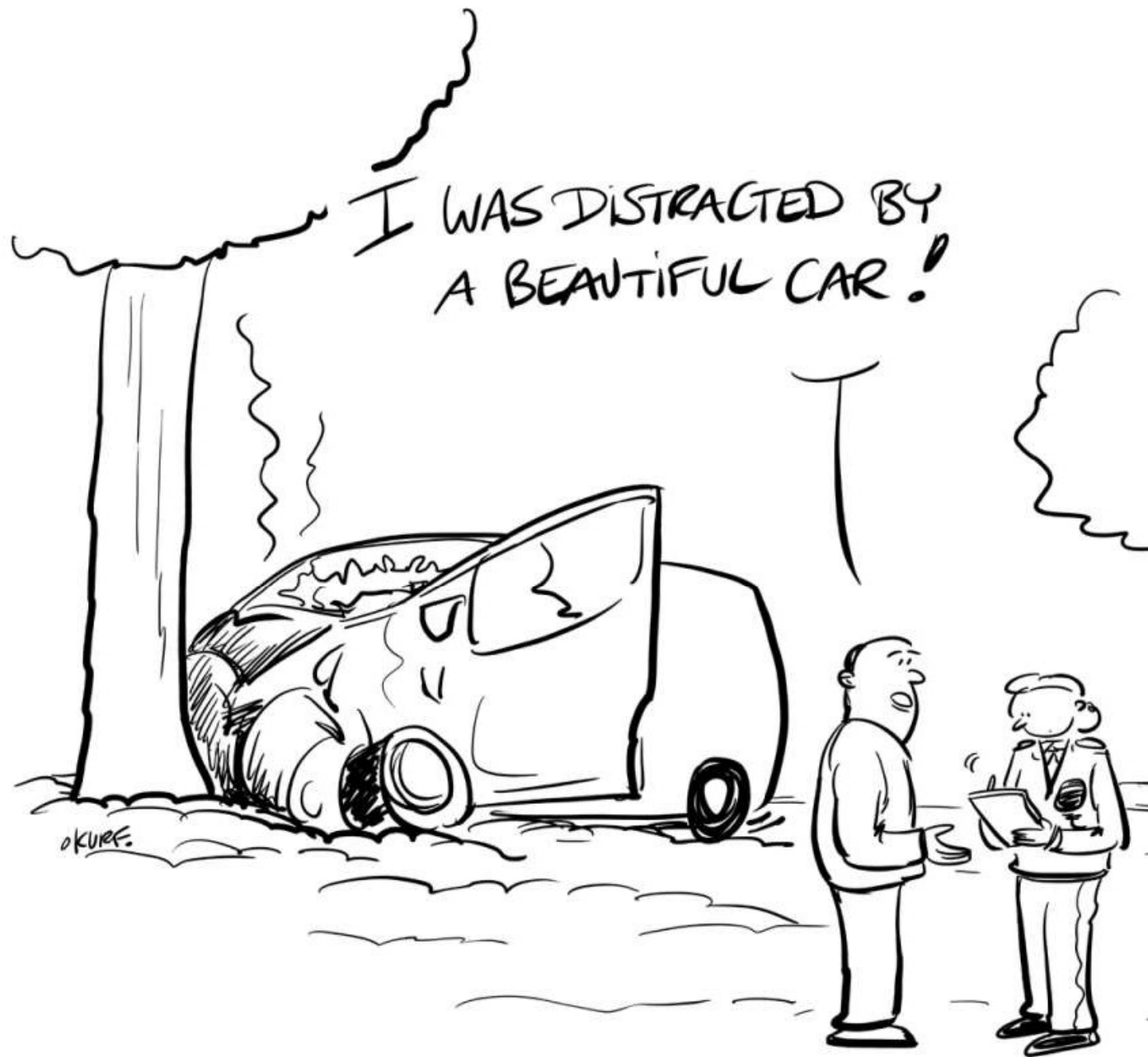
Fraud Examiners Manual

The definitive body of knowledge for the anti-fraud profession.

[Learn more →](#)

circumstancism

that circumstances
e perfect for one to be able
responsibility for one's
A risk is there will always
cause for why one cannot
nsible.



Alex Baldwin indicted on involuntary manslaughter WSJ Jan. 19, 2024. Perhaps 18 months if convicted Baldwin said that he did not pull the trigger During testing of the gun by FBI – it broke



Halyna Hutchins was shot and killed on the New Mexico set of the movie

I Did Not Pull the Trigger

- “I didn’t mean to shoot the second shot,” Monahan testified.
- DA “I’m going to ask you point blank: Did you pull that trigger?”
- “No, I did not,” Monahan replied

I tripped over nails, lost my balance and the shot gun struck the deck which caused the shotgun to fire

GUILTY VERDICT in Two Hours

CORRUPT NY COMPTROLLER ALAN HEVESI

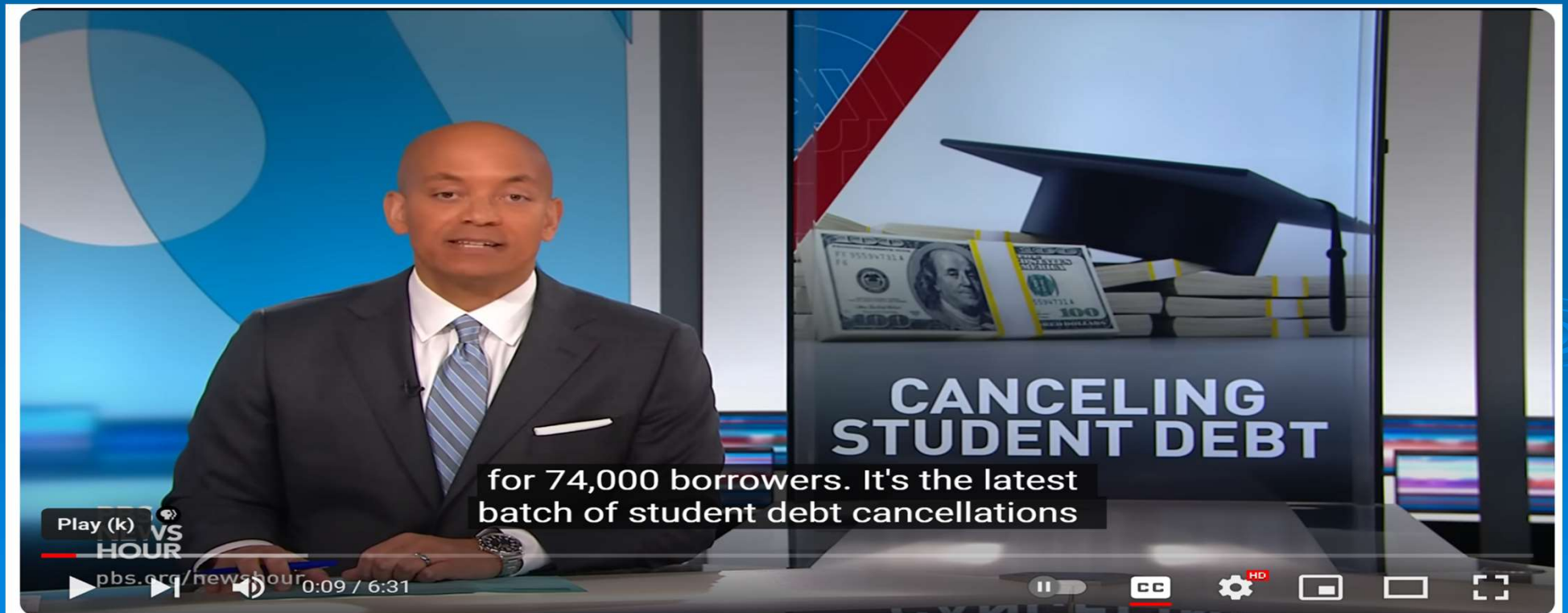
Confessed to taking \$1 million from a pension fund investor to finance gifts and trips and campaign contributions in a case prosecuted by the then state Attorney General

HIS WIFE WAS SICK

Student Loan {5 Billion}

Biden Does an End Run I CAN

- Biden administration overstepped its authority last year when it announced that it would cancel up to **\$400 billion** in student loans. *Biden v. Nebraska*



After Supreme Court ruling, Biden cancels student loan debt for millions of borrowers

CONSCIENCE

**Can I Defend this Action to Myself
in Terms of my Own Values?**

**One's Inner Voice of Right or Wrong
What if it Got ONLINE-TWITTER-FACEBOOK**

WHY STUDY ETHICS

- 1} The study of ethics can help people sort out complex issues and determine what principles would be best.
- 2} Ethics can provide help to adjudicate between conflicting principles.
- 3} People may have inadequate beliefs “*Caveat Emptor.*”
- 4} Are opinions worth holding on to – Family vs. Job.
- 5} Learn to identify the basic ethical principles in order to grasp the underlying structure of ethical reasoning.

You Can't Make This Stuff Up

Internal Revenue Service Criminal Investigation unit has identified ongoing fraud and scams related to the ERC that, to date, have resulted in 323 investigations involving more than \$2.8 billion of potentially fraudulent ERC claims throughout tax years 2020, 2021, 2022, and 2023. **{Nov 22, 2023}**

UNEMPLOYMENT - FRAUD

- **Comptroller Tom DiNapoli estimated that New York's Unemployment Insurance system lost at least \$11 billion to fraud between April 2020 and March of 2021**
- **Congresswoman Nicole Malliotakis (NY-11), \$11 billion in fraudulent unemployment benefits since FEB. 23 since 2020. Estimates of \$400 billion for the entire country.**
- **Estimates for California are between \$30 – \$40 billion**

CFE Code of 1/17/2018 Professional Standards

Section I - These Standards express basic principles of ethical behavior to guide members in the fulfilling of their duties and obligations.

Section II - Fraud Examination – assignment or engagement, a substantial purpose of which involves the **PREVENTION, DETECTION, INVESTIGATION**, or resolution of fraud or fraud-related conduct.

Integrity and Objectivity

Section III Part A

CFE's **shall not sacrifice integrity** to serve client, employer, public

CFE's shall investigate for **actual, potential, and perceived** conflicts of interests

CFE's shall **maintain objectivity** throughout the fraud examination

CFE's **shall not commit acts discreditable to the ACFE**

CFE's **shall not make a false statement** when testifying under oath

OBJECTIVITY *

“...ability to conduct fraud examinations without being influenced by one’s own personal feelings ...

and is not influenced by bias, prejudice, or other information that cannot be substantiated or that has no foundation.”

BIAS - PREJUDICE

“Bias refers to partiality that prevents an individual from objectively considering an issue or situation...”

“...whereas prejudice refers to a preconceived attitude, belief, or feeling that prevents objective consideration of an issues or situation.”

MORAL COMPASS

EACH OF US IS GUIDED BY OUR OWN “MORAL COMPASS.”

NOT EVERY PERSON’S “MORAL COMPASS” POINTS IN THE SAME DIRECTION.

RECENT headlines are clear evidence of this be it HOLLYWOOD celebrities, professional athletes, or political figures. *MOMS as Domestic TERRORISTS*

Ethics Check **5 Questions to Ask**

From the authors of *The Responsible Manager: Practical Strategies for Ethical Decision Making*, Michael Rion

1. *Why is this bothering me?*

Is this really an ethical dilemma?

Are there competing interests involved?

What principles & rules are applicable?

Clarify issue in terms of fairness & integrity

Ethics Check

2. Who else matters?

Who are the Stakeholders

What impact will my decision have on them?

Remember the Golden “Rule”

Ethics Check

3. **Is this really my problem?**

Question of responsibility & obligation

Extent of responsibility – me – boss – others?

Moral obligation or just a good deed

Above and beyond the call of duty situation?

Ethics Check

4. What do others think?

Get opinions from others

Other important information

Elicits facts, principle, & perspectives

Seek out well informed professionals

Ethics Check

5. Am I being true to myself?

Check on decisions ethical validity

Decision ethically justified?

Am I happy with my decision?

Consistent with Code of Professional Conduct

How would I feel if decision reported in

newspaper

Ethics Check **Six Step Process**

STEP 1 - Recognize and define the problem

STEP 2 – Determine the facts

STEP 3 - Identify alternatives

STEP 4 – Apply ethical principles

STEP 5 – Make a final decision

STEP 6 – Communicate the decision

Pilot @ 16, USAF Academy Grad, Physics Kennedy School of Policy MS, Fighter Pilot 2nd Lieutenant & Miss America for 2024



Breaking Barriers: US Air Force Officer Madison Marsh Crowned 2024 Miss America | Historic Victory!



Active-duty Air Force officer cr...

**AND AN
ELEGANT EVENING
GOWN
PRESENTATION**



CARING FOR THE NEXT GENERATION

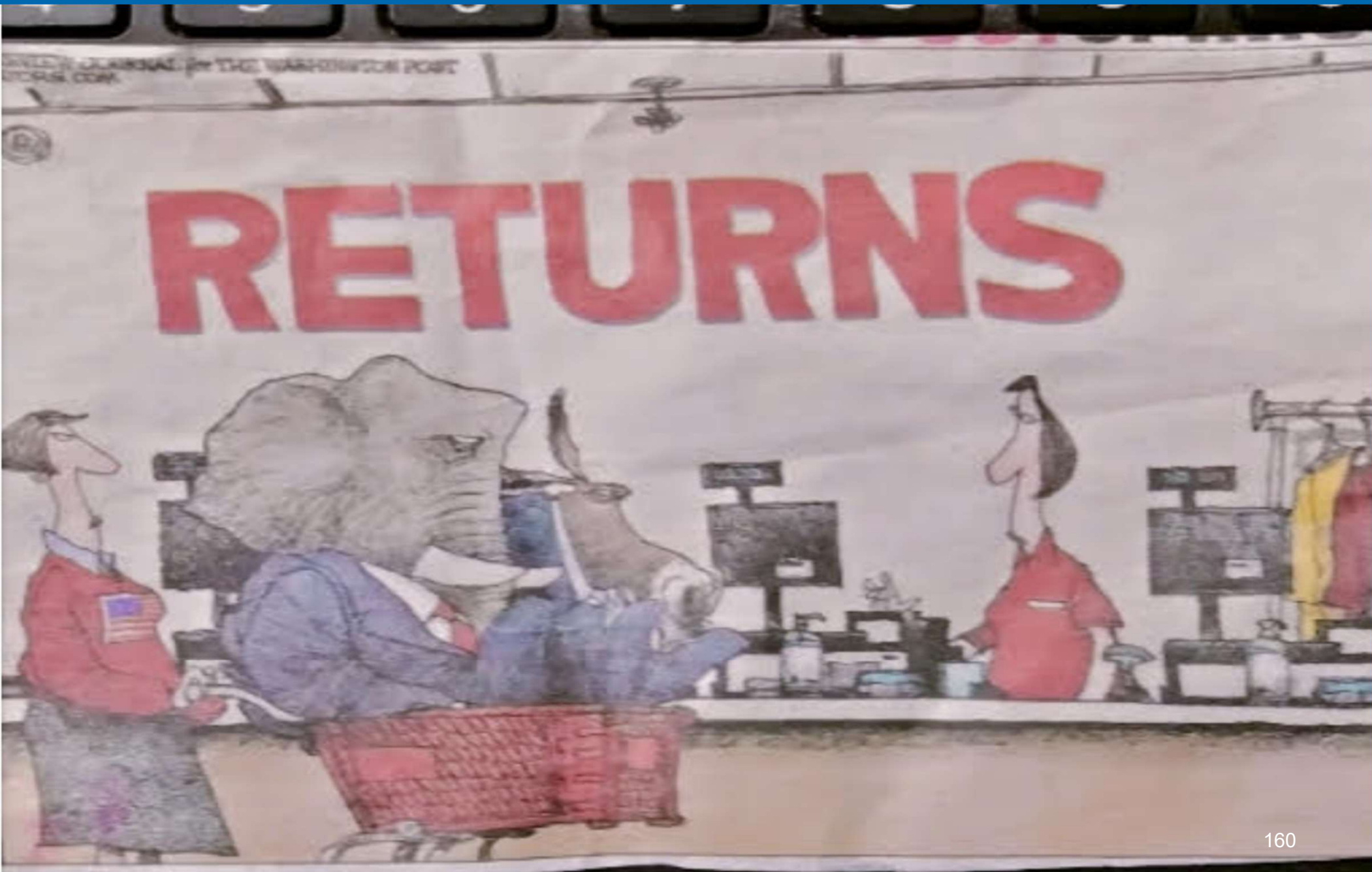


Belmont Stakes at Saratoga

The Belmont Stakes Racing Festival will be held at Saratoga Race Course June 6-9, 2024!

[EMAIL SIGN-UP](#)

THIS SAYS IT ALL



MONEY TUNING



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