

**ACCOUNTABILITY**  
An Idea Whose Time Has Come

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There is only one thing stronger than all the armies in the world, and that is an idea whose time has come.

Victor Hugo

El Tahrir Square, Egypt  
1 February 2011  
Photo: Rami Halim



**Fraud by the Numbers**

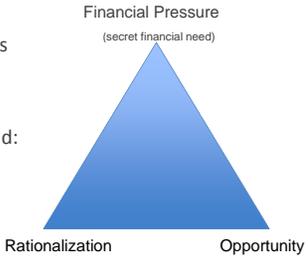
5  
\$150,000  
\$80,000  
67  
31-45  
93-83  
57  
\$167,000

Source: ACFE 2010 Report to the Nations on Occupational Fraud and Abuse



**The Fraud Triangle**

Three elements necessary for someone to commit fraud:

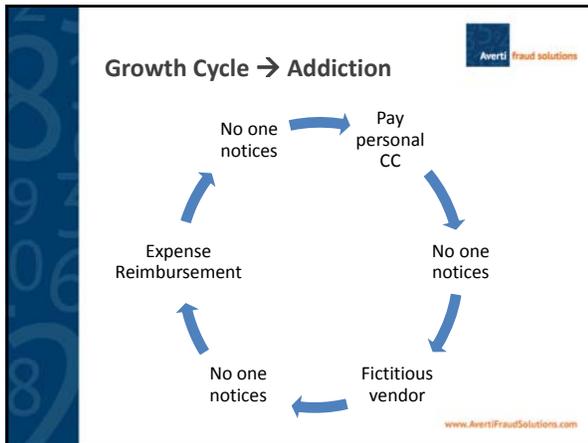



**Video: The Fraud Triangle**




**How Honest People Cross the Line**



- ### Common Elements?
- Connie Stills and Bobbi George
  - Catherine Benoit
  - Mary Guinard
  - Jacqueline Grandstaff
  - Kari Eldredge
  - Cori Hampton
  - Bob Hampton
  - Michael Schindele
- www.AvertiFraudSolutions.com

- ### Red Flags of Illicit Activity
- Living beyond means
  - Financial difficulties
  - Control issues/unwillingness to share duties
  - Unusually close association with a vendor/donor
  - Wheeler dealer attitude
  - Divorce/family problems
  - Irritability, suspiciousness or defensiveness
  - Addiction problems (gambling, drugs, shopping)
  - Refuse to take vacations, or call in frequently
  - Complain about inadequate pay
- Source: ACFE 2010 Report to the Nations on Occupational Fraud & Abuse
- www.AvertiFraudSolutions.com

### Wisdom

There are three ways to learn wisdom:  
 By *reflection*, which is the noblest;  
 By *imitation*, which is the easiest;  
 By *experience*, which is the bitterest.

(Confucius)

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### Trust. But Verify.

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**BUILDING ACCOUNTABILITY**



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**Define Expectations**

- Tone at the Top
- Code of Conduct
- Hotline
- Background & Criminal History Checks
- Credit checks



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**Accountability in Financial Processes**

1. Segregate Duties  
No one controls a transaction from beginning to end
2. Provide Oversight  
Create a *perception of detection*



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**Prevention & Deterrence – Segregate Duties**

- Receiving mail & preparing deposit
- Credit card machine
- IT Security
- Recording donations, deposit, accounting system
- Reconciliations
- On-site registration for events



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**Prevention & Deterrence - Create a Perception of Detection**

- Bank statement review
- Credit card statements
- Credit card machine
- Mandatory vacations/job rotation
- Surprise audits
- Hotlines
- External audit



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*Happiness is when  
what you think,  
what you say,  
and what you do  
are in harmony.*  
*Mahatma Gandhi*

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