

# HAMLET'S MIND

ISSUE 56

NOVEMBER 2017

2017 - 2018 Course listings showing open/closed

**Note:** The training fee for the five-day courses offered through the NC Community Colleges is \$125.00 and for the two-day courses, \$70.00. *This partial list does not include the training I am conducting for specific entities.*

2017

Interviewing and Interrogation, Nov. 27 – Dec 01, Guilford Tech CC, Greensboro, - Open enrollment

2018

Investigative Discourse Analysis, Mar. 12 – 16, Blue Ridge Community College, -Open enrollment

Interviewing and Interrogation, Mar 19 – 23, Coastal Carolina CC, Jacksonville, - Open enrollment

Interviewing and Interrogation, Mar 26 – 30, Rowan/Cabarrus CC, Salisbury, - Open enrollment

Interviewing and Interrogation, Apr 30 – May 04, Guilford Tech, Greensboro, - Open enrollment

Interviewing and Interrogation, May 07 – 11, Davidson County CC, Lexington, - Open enrollment

Investigative Discourse Analysis Jun 25 – 29, Guilford Tech, Greensboro, - Open enrollment

Interviewing and Interrogation, Sep 24 – 28, Randolph, CC, Asheboro, - Open enrollment

Interviewing and Interrogation, Oct 22 – 26, Davidson County CC, Lexington, - Open enrollment

Interviewing and Interrogation, Nov 5 – 9, Guilford Tech, Greensboro, - Open enrollment

## Interview Training Recognition Program (ITRP)

**120 hours Total**

**Core courses: 48 hours**

\*Interviewing and Interrogation – 40 hours

Interviewing Ethics – 8 hours

**Electives: 72 hours**

A note to those who have been in my classes previously, those classes **do** count toward the completion of the program.

Child abuse related interviewing: The Suspected Perpetrator – 16 hours

\*\*Body Language Interviewing – 16 hours      Contemporary Interviewing Dynamics – (up to 16 hours)

Interviewer communication profile – 8 hours      \*Background investigation - 16 hours

Interviewer personality profile – 8 hours      Investigative Discourse Analysis – 40 hours

Fraud Related Interviewing – 16 hours      Interviewing **THE** psychopath – 16 hours

Interviewing **LIKE** a psychopath – 16 hours      Surviving the first 3 minutes of your interview – 8 hours

Audit related interviewing – 8 hours      Elicitation and the interview process – 24 hours

Advanced Interviewing: the concept of persuasion – 16 hours      Contemporary Interviewing Dynamics

\*\*\*Related Legal Issues – (up to 16 hours)

\*Conducted by Scott Hartley will also count

\*\*Conducted by Van Ritch

\*\*\* Conducted by Smith/Rodgers PLLC

This program is designed to recognize those professionals whose aspirations to enhance their interviewing capabilities are such that they are willing to invest their time and efforts in an endeavor to improve. Courses will be offered in traditional, online and digital formats. **Note: There is no cost for enrollment into the program itself.**

Those completing a training program will be presented with matted and framed documentation. Please note: Only those courses approved and conducted by the ITRP instructors are counted for completion of the program.

Questions or to enroll: Contact me at [dwrabon@msn.com](mailto:dwrabon@msn.com)

**Note to those currently enrolled:** I will be contacting you directly with some additional, special course offerings I will be conducting, each counting toward completion of the program.

## The Interview: A Societal Microcosm

This issue begins a multi-part series addressing the societal, shifting paradigms impacting the conduct of the interviewing process. Interviewing is “the theatre of life”. Consequently, that which is on-going within society will be reflected accordingly within the interviewing operation. Our focus will be on the interviewer as well as the interviewee.

My attention is entirely on the issues as they manifest here in the United States. For those readers in other countries, I would never presume to opine on the societal circumstances, causality or ramifications outside of my own borders. It is a Southern thing that is just not done in polite society. Hopefully, you’ll follow suit.

I am looking forward to the feedback from the readership – some may agree with my assessments and others find issues. In either case, it is all designed to make for stimulating, mutually informative, discussion. As my dad always told me, “*Son if we all thought alike, everyone would be in love with your mother*”. For me, it is not necessary that we think alike, but, more importantly, that we think!

We begin with: **The Abdication of Personal Responsibility.**

*The willingness to accept responsibility for one’s own life  
is the source from which self-respect springs* – Joan Didion

Since the birth of the “ME Generation” in the 1970’s and dramatically - most recently - the unwillingness or even inability to shoulder personal responsibility has come into its own. Poor grades are never due to lack of effort on the part of the student. It is the teacher’s fault. Solution: do away with grading systems.

If someone isn’t getting enough playing time, it can’t be due to lack of talent or hustle. It is the coach’s fault. Solution: take down the goal posts, don’t keep score and give everyone a trophy.

The concept that someone or something (government, for example) is responsible for my well-being and happiness is alive, well, growing exponentially and extending its tentacles into all elements of society.

The conviction that, “I’m not responsible for myself or my actions” involves an inherent reality – one must also concede, “I’m not in control”. To abdicate personal responsibility is also to relinquish destiny control (and concurrently, self-control). This individual is not the master of his fate. He is a piece of flotsam, drifting on the stream of life pushed here and there by forces over which he has no control: a most telling consequence – despair and depression. It is like being in a Kafka novel. Welcome to dysphoria.

So what can he do? Once he realizes, “Hey life’s tough and I’m not up to the challenge”, then like iron filings to a magnet, he groups with those he identifies as having shared adversity. Can’t make it as an individual then I’ll make it as a group – the Society of Aggrieved left-handed, blue-eyed, blond-haired persons (SALBBP). So, like a herd of wildebeests, we will wander through

the plains, sharing our sad stories with one another of the cumulative angst of left-handed, blue-eyed and blond-haired people – none of which is our responsibility. And if one of us should stray from the herd and subsequently, attacked by the lion, “Well, more’s the pity”.

Nowhere is this disorder more evident than in the arena of fraud. Not getting paid what you think you should? Take what you will to make things right. That is why, I don’t see people who feel sorry about what they have done, only sorry they got caught. Still, fraud is only the tip of the iceberg. Lose an election? Put out a book delineating how it was everyone and everything’s fault, but, your own.

Before I retired from the North Carolina Department of Justice, I would regularly receive phone calls along this line:

**Caller:** *My son wants to be a police officer, what should he do?*

**Rabon:** *Well, the first thing he should do is start to make his own phone calls. Having initiative is right up there as a top requisite for a career in law enforcement.*

**Caller:** *I’m just trying to find some information to help him get started.*

**Rabon:** *My point, exactly.*

**Caller:** *Click*

I could go on but, fortunately for you, I won’t. Let’s cut to the chase with the ramification to the interviewing process. First, here’s the good news. As the addiction to “I’m not responsible” has become pandemic, playing to that mindset with frames such as “shifting the blame” or “rationalization” are most expedient. Let’s hear it for the fraud triangle. It not only illustrates the “why”, but also the “how”. In this case, how to gain compliance.

The down side: For the interviewer, who has not been inoculated against “irresponsibility”, two things may be evident:

He may not see the necessity of learning the craft and the work involved;

He may not be able to learn from interviews having an adverse outcome. Rather, than critically, self-assessing: “What could I have done better? What did I do wrongly? What areas of my interpersonal communication need attention?” - he may find it more suitable to blame the interviewee or circumstance.

Certainly, abdicating responsibility is not new: Adam blamed Eve and Eve blamed the snake. But, in the meantime, at least for those of us here in the United States, it has become a national pastime. Those of us who interview as part of our professional responsibilities must be cognizant of the demise of personal responsibility within our society (again, U.S.). Consequently, compliance-gaining frames – which are nothing more than mindsets – should be operationalized accordingly. For example, “guilt on the part of a good person who made a bad

choice” may not be as viable, in that, in order to experience guilt, one must first have a sense of personal responsibility, as well as, right and wrong. But, as previously noted, shifting the blame to someone or something and rationalization are the “specials of the day”. You be that understanding, conversational partner, not a self-appointed dispenser of judgement.

In closing, please give thoughtful consideration to making a donation to SALBBP. Although, I am not left-handed, blue-eyed or blond-haired, I have friends that are. So, when you are writing out that generous check with your right hand, fluttering those sea-green eyes and coquettishly brushing back that brown lock of hair, remember, there but for a bit of DNA go you or I. I hope to see you at the parade.

Got some thoughts on the issue? Let me hear from you.

### **Wires from the Bunkers – For Which, I am always appreciative:**

***Hey Don:** We took your interviewing course at Stanly Community College in August and we have since, been on fire. It took us a week to get the suspect in, but, we were able to gain compliance in about an hour. We learned so much in that class that I feel like I should not have even started in investigations until after taking the class. Since then, we've gotten the appropriate interviewing outcome at a much higher rate. I'm not sure which of your classes would be most beneficial at this point, but we are definitely indebted to you for what you've taught us so far. If you could suggest what we should take next, it would be appreciated. Just let us know what would be best. Thanks!!*

***Don** Thank you for some GREAT training that I have already had the opportunity to practice! The recent courses have got me so motivated and gave me some drive to become better. Your training has given me a fire in my everyday interactions with all people to start my study on human behavior and why people do what they do. Thanks again! I look forward to taking more of your classes.*

***Hey Don:** I just wanted to say that I thoroughly enjoyed the discourse analysis class and I'm looking forward to your classes in the year to come. I wanted to share an experience with you as I was finally able to get into the interview room this past week (tough to do when you're still on patrol). Just a little background we received a call for a burglary in progress where the suspect was known. The suspect fled and returned home where he was eventually picked up. Our detectives refused to come out so I was summoned to the police department to interview the suspect.*

*This was my first in-custody interview, and I was up against a career criminal. It started out rough but I eventually got the suspect talking. I let him keep talking and actually switched to*

*having him answer questions about what he had told me. When it came time to elicit for a confession I gave him an out, his body posture sunk and his head went into his hands... I thought at this point I got him. Boy was I ever wrong, we sat in silence for 15 seconds before he lost it and started yelling obscenities and insulting me. I sat there trying to figure out how to save the interview. He stopped yelling and I explained to him what his charges were and stopped talking. Silence became my friend as I could see him becoming extremely uncomfortable.*

*Then it happened, the suspect asked me a question that if I had never attended your courses I would have never picked up. The suspect asked "first degree burglary wouldn't - have I had to take something when I was in there?" Now at this point it took everything in my power to keep the smile off of my face, I responded to him by saying that it was 1 element of the crime. He continued and said wouldn't it just be misdemeanor breaking and entering? I told him I see what he was saying and allowed him to talk for a little bit longer. It was time, I followed up with " so you told me that you didn't take anything when you were in the home, if you weren't there to take anything what were your intentions?"*

*The mistake was known, now the suspect stared at me, not as long as the video you show in class but long enough for me to know I got him. His reaction was not what I expected but he became extremely angry and gave every excuse under the sun to make sense of what he said. He then told me that he was done talking and the interview ended. I just wanted to say thank you and I can't wait to put this into practice more.*

## Guest Article

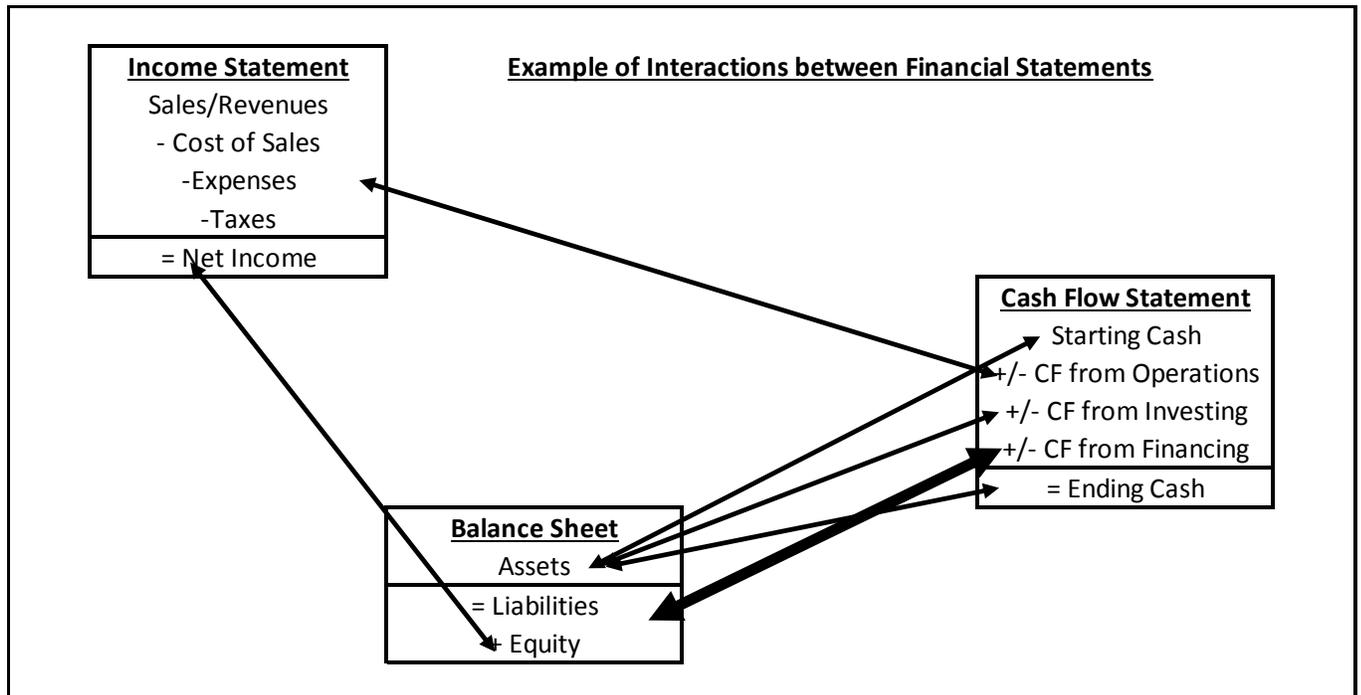
My thanks to Larry Fuschino for the following guest article. As I have noted in the past, take charge of your career and join the Association of Certified Fraud Examiners.

Could your company stand a fraud loss of \$150,000 or even \$1,000,000? According to the [Association of Certified Fraud Examiners](#) (ACFE) these are the median losses suffered by small and large businesses from financial statement fraud. The ACFE classifies fraud into three major types: Asset Misappropriation, Corruption and Financial Statement Fraud. In their [2016 Report to the Nations](#) ACFE identifies financial statement fraud as the least frequent, occurring in less than 10% of reported fraud cases. Even though financial statement fraud is relatively rare it results in the greatest losses of around \$1,000,000 each. Even in small businesses the median loss from financial statement fraud is \$150,000.

No fraud scheme is easy to uncover but financial statement fraud is unusually difficult because it relies on the detailed analysis of financial statements. While CPA audited statements are the most reliable documents even those cannot prove that fraud is not occurring. In many companies, financial statements may not be audited and may only be prepared by the company itself. In the following

sections I will discuss some of the difficulties in looking for financial statement fraud and identify general tips to keep in mind while searching for this elusive activity.

To begin the search for fraud several years of financial statements should be obtained. At a minimum the balance sheet, income statement and statement of cash flows are necessary. The statement of cash flows ties the balance sheet and income statement together as shown in the diagram below. Without it the job of finding fraudulent activity becomes much more difficult.



The person behind a financial statement fraud is usually someone with access to the company's accounting system allowing that person to create or approve transactions. In companies with poor internal controls one person may be able to both create and approve entries. The fraud requires a combination of creating fraudulent transactions in the accounting system and altering or creating fake business documents to back up the transactions.

It is rare for one person in a company to know how to manipulate the accounting system, create fraudulent documents and have access without oversight so frequently these frauds are carried out by several persons working in collusion. On occasion a "trusted" senior executive may be behind the fraud.

Discovery of financial statement fraud by external auditors is uncommon according to ACFE's [Report to the Nations](#). Most often these fraud schemes are discovered when a tip is received from an employee. This emphasizes the need for a whistleblower and hotline program within a company to complement the internal or external audit functions.

Before beginning an analysis of financial statements some common sense tests can be performed. First, a company with significantly higher sales and/or profitability than other companies in the same type of business might point to possible fraud. This is especially so when the outsized growth has occurred over

several years. It is even more likely when the fast growing company has no unique product or service that is being offered.

A company that exhibits both high sales growth with high profitability over time is very rare. Remember, high sales growth is often caused by lower pricing which typically results in lower profitability. A good example is Amazon.com which is using a low pricing strategy to take market share from other companies at the cost of its profitability. Conversely, higher profitability is frequently the result of higher pricing but high prices tend to decrease sales.

The second common sense test is whether the company with strong growing profitability is exhibiting positive cash flow from operations. Highly profitable companies will normally have strong operating cash flow. If the "Cash Provided by Operating Activities" section of the Statement of Cash Flows does not exhibit positive cash flow then another caution signal may be flashing.

There are few free sources of industry sales and profitability information but [yahoo.finance.com](http://yahoo.finance.com) and [google.com/finance](http://google.com/finance) have some data. Others to look at are [bizstats.com](http://bizstats.com) and [valuationresources.com](http://valuationresources.com). Your commercial and wholesale contacts at local banks and local CPAs may be able to help as well.

Common methods of executing financial statement fraud are creating fictitious revenues, concealing expenses and liabilities, improper asset valuation and timing differences. Some involve recording sales that did not occur. To conceal the fact that cash for these sales has not been received the fictitious payment is often recorded as an Account Receivable (A/R). Over time, as fictitious revenues are created the size of the A/R category grows. In the exhibit below note how the **Days of sales tied up in A/R** shows steady growth. The fraudster is using uncollected A/R to hide the fact that some of the sales growth the company is experiencing is fictitious.

	2015	2016	2017
<b>Real Sales</b> (millions of dollars)	\$ 15.0	\$ 14.0	\$ 13.0
<b>Real A/R</b> (millions of dollars)	\$ 1.2	\$ 1.0	\$ 1.0
<b>A/R Turnover</b> (Sales divided by A/R)	12.5	14.0	13.0
<b>Days of Real sales tied up in Real A/R</b> (365 days divided by A/R Turnover)	<b>29.2</b>	<b>26.1</b>	<b>28.1</b>
<b>Fictitious Sales</b> (millions of dollars)	\$ 2.0	\$ 4.0	\$ 8.0
<b>Fictitious A/R</b> (millions of dollars)	\$ 1.0	\$ 3.5	\$ 6.5
<b>Combined Sales</b>	\$ 17.0	\$ 18.0	\$ 21.0
<b>Combined A/R</b>	\$ 2.20	\$ 4.50	\$ 7.50
<b>A/R Turnover</b> (Sales divided by A/R)	7.7	4.0	2.8
<b>Days of sales tied up in A/R</b> (365 days divided by A/R Turnover)	<b>47.2</b>	<b>91.3</b>	<b>130.4</b>

The complete analysis of financial statements and supporting documents is beyond the scope of this article and an actual analysis of suspected fraud will require the support of trained and experienced forensic accountants. However, the use of the common sense tests can help identify company financial statements that may be suspicious and warrant additional scrutiny.

The ACFE uses the three factor model of fraud: Pressure, Opportunity and Rationalization. Of these three most companies can only prevent the opportunity for someone to commit fraud. Strong internal controls are the best preventative measure against financial statement fraud.

**Note:** Please check out the resume that follows my crass attempt to get you to purchase my books and my wonderfully written, salutation. Thanks!

**My five texts -and no one should ever be without them all:**

*Interviewing and Interrogation*, 2<sup>nd</sup> edition;

*Fraud Related Interviewing*;

*Persuasive Interviewing* 2<sup>nd</sup> edition; (**released April, 2016 - power-point slides are available upon request**)

*Investigative Discourse Analysis* 2<sup>nd</sup> Edition;

These can be ordered directly from Carolina Academic Press - (919) 489-7486, online at <http://www.cap-press.com> or [www.amazon.com](http://www.amazon.com).

My newest text, "*An Endless Stream of Lies: A Young Man's Voyage into Fraud*" – is available in electronic and print formats from Amazon or Barnes and Noble.

Be sure and stay in touch. You know how I worry when I don't hear from you.

Don Rabon, CFE

Successful Interviewing Techniques

## **Sacha L. Bias, CFE**

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## **BUSINESS & CORE SKILLS**

- 15+ years of experience financial services, criminal justice, fraud, anti-money laundering, investigations of financial crimes and policy violations
- Understanding & Knowledge of Enhanced Due Diligence (EDD) & Customer Due Diligence (CDD)
- Knowledge of Bank Secrecy Act (BSA), Anti-Money Laundering (AML), USA PATRIOT Act, Suspicious Activity Report (SARS), SAS alerts, and OFAC.
- Knowledge of Customer Identification Program (CIP) and Know Your Customer (KYC)
- Familiarity with regulations, such as the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.
- Excellent investigative and business sense to distinguish between typical transactions and suspicious activity.
- Familiarity with interview techniques and investigative practices.
- 1 -3 years Accounting experience
- 2-3 years Administrative experience
- 6 years of Auto Finance
- 15+ years Management and Call Center experience

## **PROFESSIONAL WORK EXPERIENCE**

**Citi Group, Operational Risk Analyst, Fort Mill, SC**

(December 2016- Present)

- Conduct transactional and regulatory reviews on clients and Politically Exposed Persons (PEP's) to identify potentially suspicious activities.
- Review any submitted cases on Global Sanction Screening identified as True / False Matches.
- Perform Adverse Media Research in support due to Customer Due Diligence functions.
- Conduct thorough research on negative news report involving PEP's or Bank Clients to gather sufficient granularity of the allegations in order to review transactions for potential links to stated activities.
- Analyze finding to determine extent of suspicious and fraud risk.
- Create & Draft detailed assessment on the individuals and properly report any findings and trend analysis and make recommendations to mitigate risk to senior management.

**Wells Fargo, Financial Crimes Analyst/Work Director, (Redlite) Charlotte, NC**

(May 2011 – August 2016)

- Perform analysis to detect patterns, anomalies, trends and schemes and relationships across multiple businesses/products.
- Analyze finding to determine extent of suspicious and fraud risk.
- Draft report of findings and trend analysis and make recommendations to mitigate risk.
- Responsible for supervising & manage 18 financial crimes specialists
- Research, review and analyze complex transactions and referrals to prevent and detect financial crimes activities.
- Act as an Escalation point of contact for lower level specialists to resolve issues and provide training. Ensure work is completed on time and accurately by planning coordinating and monitoring daily activities.
- Investigate, negotiates and mitigates potential or know moderate dollar losses or risk cases with customer/suspect, Analyzes evidence and work with more difficult customers or collect losses from responsible parties.
- Gathers and analyzes evidence needed to conduct investigations.
- Understanding of Regulation CC, Share Fraud Reporting, Early Warning Reporting.

**Wells Fargo Financial Crimes Specialist III (ATM/Debit Card Fraud), Charlotte, NC**

- Investigate and resolve customer disputes on Fraud Visa Debit Card transactions.
- Resolve claims and notify the customer of the results in accordance with Regulation E guidelines.
- Direct communication with customers, merchants, & internal investigators
- Knowledge of VISA Operating Rules & Chargeback Guidelines, General Ledger, and DAT system.
- Identifying Fraud Trends & anomalies

**Wells Fargo Team Lead, Retrack Analyst, Escalation Support Specialists (Online Banking), Charlotte, NC**

- Manages, Respond and research inquiries & complaints, and provide side-by- by coaching
- Responsible for supervising staff providing disputed resolution and customer service for internal & external customers. Monitor workflow and quality of representatives, overseeing resolution to complex calls, working with management team to identify problems and improve customer service levels.
- Communicating company policy, procedures and practices, making employment decisions and setting performance standards, training and coaching staff.
- Conducting performance evaluations, performing financial, product and/or business case analysis and completing projects as assigned.
- Implemented a retrack process that recoup potential estimated >400k contribution that the Department & bankers may have lose.
- Processing transactions, performing extensive research to resolve complex customer issues for high net worth customers, while providing guidance and assistance to more inexperienced team members.

**Wachovia, Part-Time OS Processor Specialist, Charlotte, NC**

(January 2009 – August 2010)

- Data entry of imaged checks, deposit slips, and any tellers' counters documents
- Enter required information that is needed such as amount key (entering in dollar amount), account numbers, routing number etc.
- Ability to manage multiple priorities and to adjust workload accordingly while under pressure.

**TD Bank, AML Investigator I, Lexington, SC**

- Independently performing analysis of complex financial transactions.
- Reviews, validate and Investigate High Risk customers from Client Rating Risk or NAMES
- Takes referrals from internal support groups, reviews transaction background and information

- Evaluates suspicious and/or questionable account activity.
  - Performs Enhanced Due Diligence on Customers designated by regulators as high risk, such as international and large cash Customers.
  - Conduct research through various and reliable sources to judge authenticity of financial transactions
  - Recommended retention and closure of accounts through investigation
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#### OTHER EMPLOYMENT HISTORY

<b>Enterprise Leasing</b> , <i>License &amp; Title Clerk, Department Administrator</i> , Charlotte, NC	(February 2007 – June 2009)
<b>Piedmont Natural Gas</b> , <i>Cash Management Assistant</i> , Charlotte, NC	(January 2006 – January 2007)
<b>BB&amp;T Leasing Corp</b> , <i>Tax Administrator</i> , Charlotte, NC	(April 2005 – November 2005)
<b>Ford Motor Credit Company</b> , <i>Floor Lead/Title &amp; Repossession Investigator</i> , Greenville, SC	(July 2000 – April 2005)
<b>MCI</b> , <i>New-Hire Trainer /Customer Services Professional</i> , Greenville, SC	(May 1996 – June 2000)

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#### EDUCATION

Strayer University, Charlotte, NC, BS Criminal Justice, (Cum Laude)

Association of Certified Fraud Examiner (ACFE), Active Member

- ACFE Charlotte Chapter Board Director Member
- ACFE Charlotte Chapter Training Director

Association of Certified Anti-Money Laundering Specialist (ACAMS), Active Member

CPCC, Charlotte, NC, Human Resources Certification

Employment Law, Employee Relations, Compensation & Benefits Administration, Selection & Recruitment

North Carolina Notary Public, October 2005, Active Notary

Denmark Technical College, Denmark, SC, AS-Computer Science, (Cum Laude)

#### CREDENTIALS

Certified Fraud Examiner (CFE)

**ACFE CERTIFICATES AWARDED**

Money Laundering, Terrorist Financing and Narcotic Trade – September 2013

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**ADDITIONAL INFORMATION**

**Computer Knowledge:** Microsoft Word, PowerPoint, Excel, Lotus Notes, Mobius, AS400, MAS 500, Outlook, Access, Rumba, Oracle, WorkBrain, RALPH

**Banking Systems:** Hogan, E-Tran, Operations Image Browser (OIB), MARS, DAT, VISA, Custom View Director, Universal Workstation (UW), NICE, Customer Contact Management /Bill Pay CCM, CSA, Customer Information View (CIV), ECCOS, ESP, and Online Banking, Statistical Analysis Systems (SAS), Lexis Nexis, Fast Data, StoreVision (SVP), SharePoint, Early Warning Services System

**Volunteer Work:** Charlotte-Mecklenburg Police Department (CMPD), Current & Active Member

**Court Appointed Guardian Ad Litem,** August 2005 – January 2007, Charlotte, NC