



Anatomy of an Internal Fraud Investigation (Tips , Successes and Failures)

ELDORET



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Presentation agenda



- ☐ Introduction
- ☐ Carrying out an Investigation – Emphasis on High Risk Assignment
- ☐ Conducting Interview- Emotional intelligent
- ☐ Issues around gathering of evidence and Investigation risks
- ☐ Litigation and court support- All fraud cases end in court

Books to Read

- 7 Habits of Effective People
- Yellow Weil
- The Prince
- 48 Laws of Power
- How to win friends and influence People
- Emotional Intelligence
- Why you behave the Way you do

Introduction



“You can be forgiven for killing but generally human beings will not forgive you for stealing their property”

Niccollo Machievelli (18 Century)

Yellow Weil – Life and tells of a con man

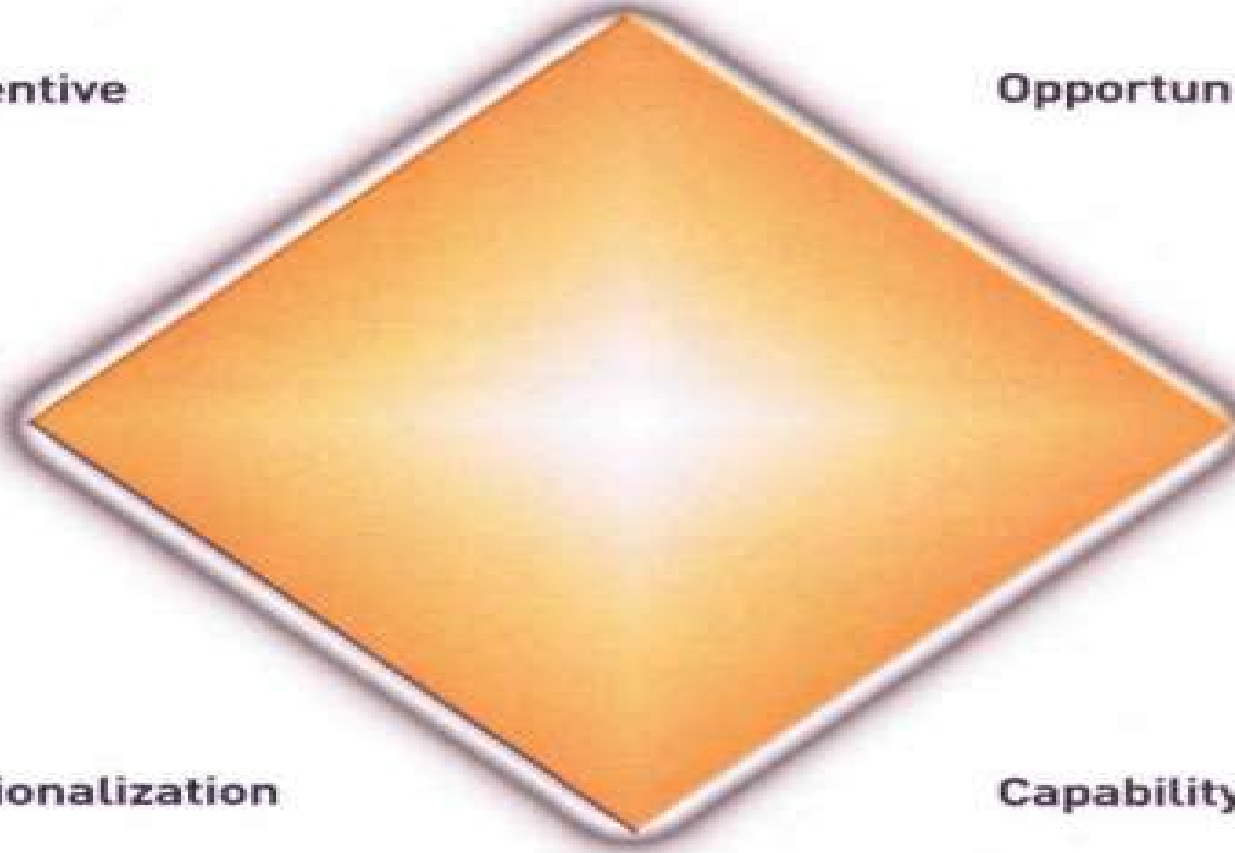
Fraud Diamond Kenyan Context



THE FRAUD DIAMOND

Incentive

Opportunity



Rationalization

Capability

Fraud Diamond Kenyan Context



Study in Italy by Lombroso emphasized on Physical attributes

Still applicable today especially by the Millennial-80% want to study procurement.



Fraud Context

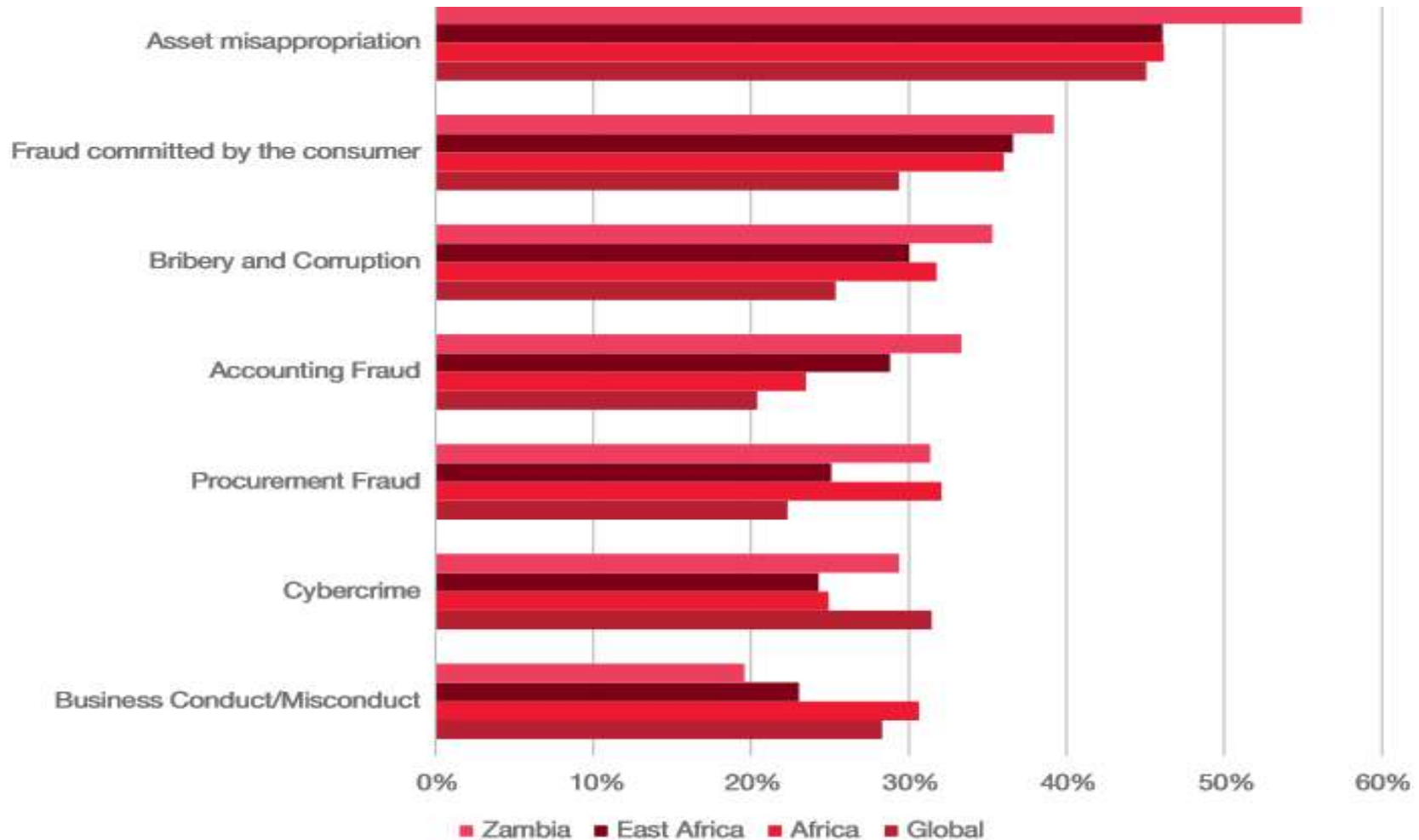


The reported rate of economic crime has increased across all territories

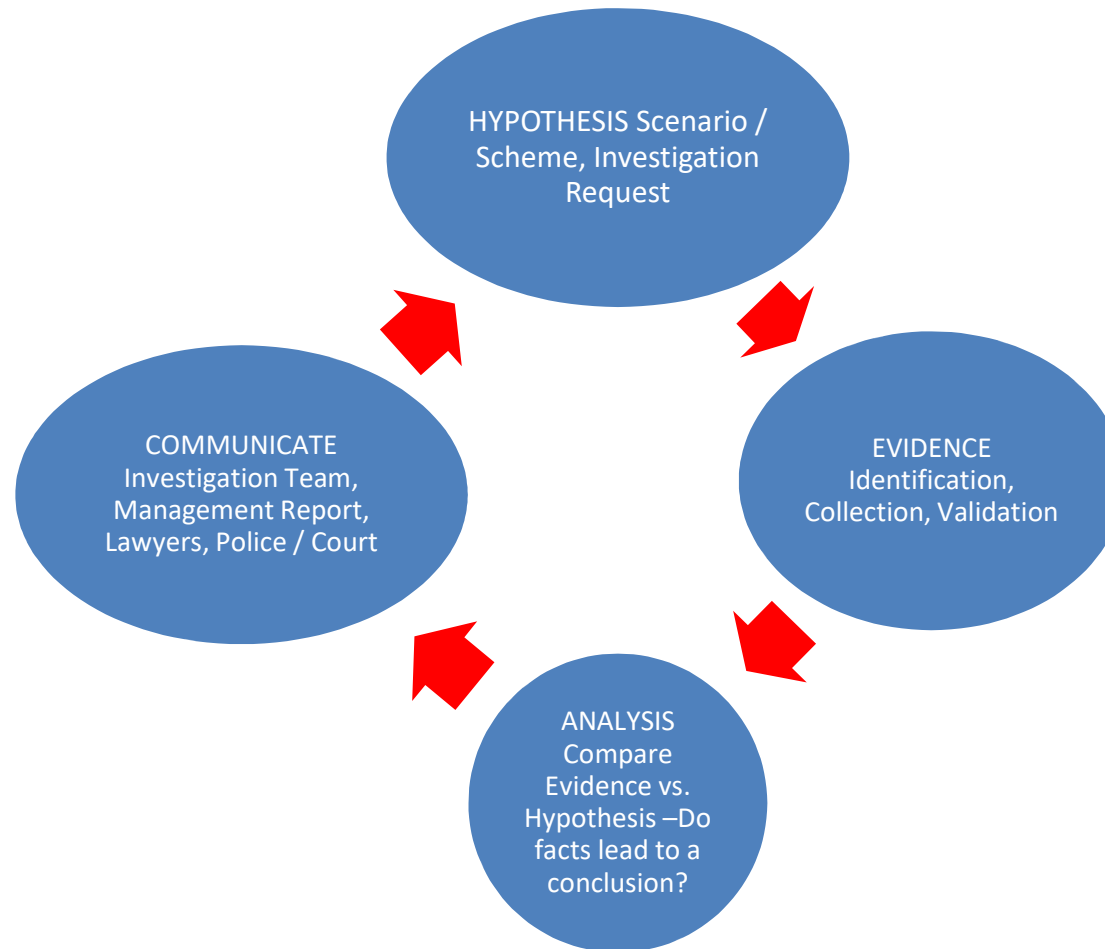


■ Reported economic crime in 2018 ■ Reported economic crime in 2016

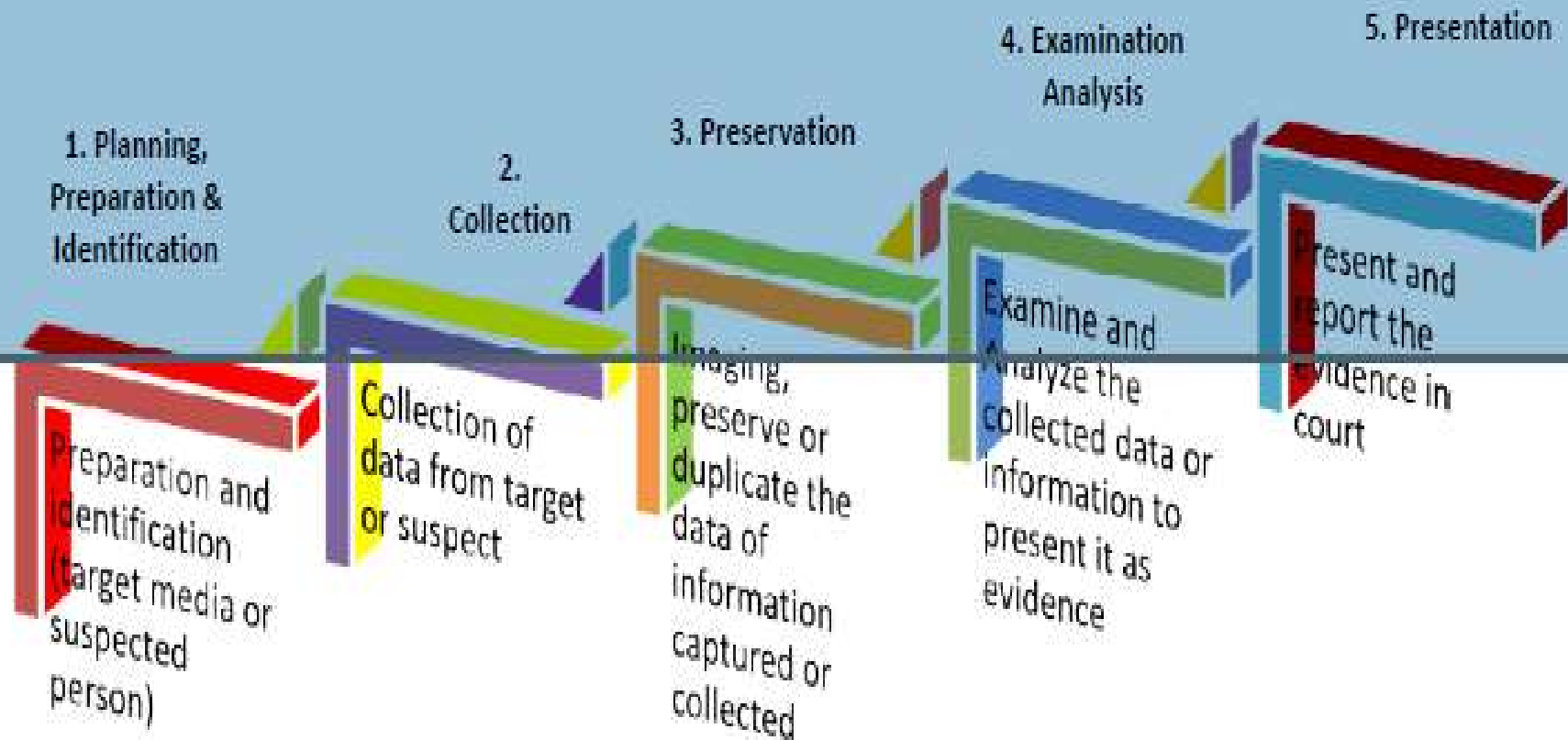
Fraud Context



Investigation Lifecycle



Forensics Lifecycle



Types of High Risk Assignment



Application depends on:

- ☐ Witness and subject matter expert

- ☐ Form of evidence

- ☐ Role and Litigation

- ☐ Nature of assignment

Methods of Investigation



Assignments can be either:

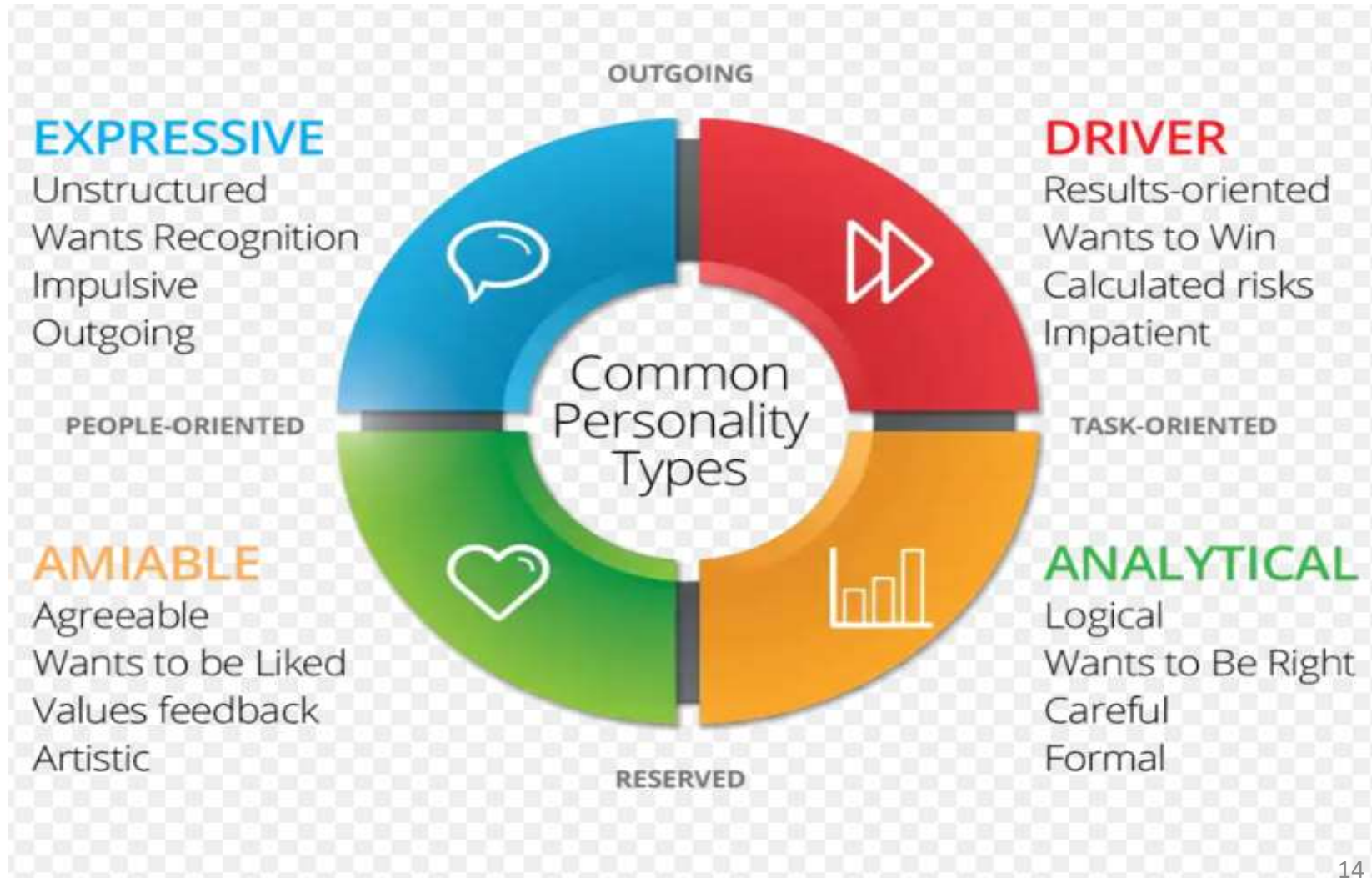
☐ Covert

☐ Overt

☐ How you frame your Terms of reference

☐ Use decoy and multiplicity of approach- King Solomon

Conducting Interviews- Personalities



Conducting Interviews

☐ Self Awareness

☐ Social Awareness

☐ Relationship Awareness

☐ Social Relationship

Concept by: Daniel Goleman

Conducting Interviews



Emotional Intelligence: There are four Personalities:

☐ Red(Chlo)

☐ Green(Mels)

☐ Yellow(San)

☐ Blue (Phlegs)

Interviewing Questions

- Introductory and Information Questions
- Assessment Questions
- Admission Seeking Questions

Interviews- What to consider

- Expression
- Ritual
- Therapy
- Persuasion

Inhibitors of Interviews

- Time
- Ego threat
- Disapproval
- Loss of status
- Regression
- Altruism
- Avoid titles
- Sympathy

How to Evade

- Forgetfulness
- Trauma
- Confusion
- Be Hostile
- Limited and Selective Knowledge
- Busy / No time

Litigation and Court support



Dealing with Hostile Witness

You're hostile witness, PIC tells Kimunya

Feb. 18, 2014, 12:00 am | By DAVID MWERE



Questions and What to avoid

- Closed Questions
- Leverage on Continuous Discussion
- Use hypothetical Questioning
- Body emotions
- Correct and good
- Reluctance to end an interview
- Overly good titles
- Emotions and Opinions

Factors to be careful of

- Legal Requirements
- Deal with deception
- False imprisonment
- Recording
- Dealing with resistance
- Dealing with your Own emotions

Words to Avoid

- Investigate
- Audit
- Embezzlement
- Are you sure?
- Why did you do it

Conducting Interviews



Be good at understanding human behaviour :

- ☐ Kinetics;
- ☐ Proxemics;
- ☐ Chromatics;
- ☐ Use of therapy and cathesis is important

Conducting Interviews

- ❑ Increase altruism effects and reason out
- ❑ Check out on the space and meeting area
- ❑ Changes in behaviour- sweating; crying;
- ❑ Selective amnesia

Form of Evidence



Form of Evidence

- ❑ Manual or Digital – all are MFIs
- ❑ Manual is easily observed; examined; found; traced
- ❑ Digital : Needs imaging; tracing source and analytical tools

Admissibility Test



- ☐ Admissibility of the Subject matter Expert
- ☐ Admissibility of your Evidence
- ☐ Spring Board and Cross Examination
- ☐ Security and Creation of decoys
- ☐ Use of encryption

Q and A



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