## Surviving the first three minutes of your Fraud Related Interview

Don Rabon, CFE

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#### **Our Starting Position**

In a fraud related interview, we have already recognized <u>adverse issues</u> and are seeking to determine their <u>cause</u> and define the <u>scope of the consequences</u>.

It <u>considers</u> the possibility that the interviewee has **actionable information** and may **mislead** the interviewer or engage in deceptive communication.

3

3

#### **Our Starting Position**

Those persons, within an organization, who may have knowledge of fraudulent activity, though **not involved**, can serve as a viable source source of information.

However, these neutral, third party sources of information can prove to be just as resistant to cooperation as the target of the inquiry.

# Fraud is a human Construct Involves: - deception

5

# Fraud is a human Construct Involves: - deception - purposeful intent

### Fraud is a human Construct

#### Involves:

- deception
- purposeful intent
- intensity of desire

7

#### Fraud is a human Construct

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- deception
- purposeful intent
- intensity of desire
- subjective norm

### Fraud is a human Construct

#### Involves:

- deception
- purposeful intent
- intensity of desire
- subjective norm
- violation of trust

9

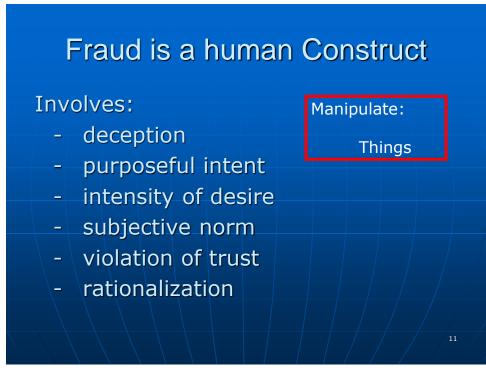
#### Fraud is a human Construct

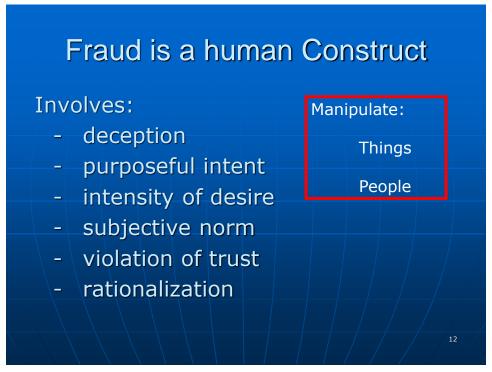
#### Involves:

Manipulate:

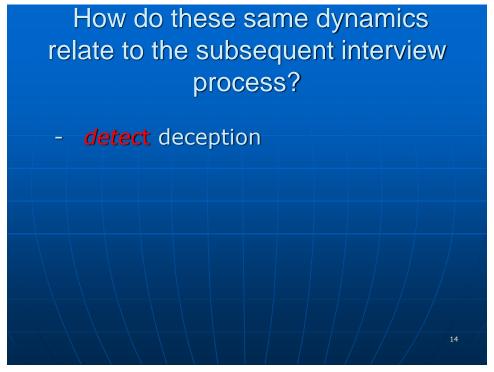
- deception
- purposeful intent
- intensity of desire
- subjective norm
- violation of trust
- rationalization

10









## How do these same dynamics relate to the subsequent interview process?

- detect deception
- *identify* purposeful intent

15

## How do these same dynamics relate to the subsequent interview process?

- detect deception
- identify purposeful intent
- **utilize** intensity of desire

16

How do these same dynamics relate to the subsequent interview process?

- detect deception
- *identify* purposeful intent
- utilize intensity of desire
- subjective norm positive/negative

17

17

How do these same dynamics relate to the subsequent interview process?

- **detect** deception
- identify purposeful intent
- utilize intensity of desire
- subjective norm positive/negative
- focus upon the violation of trust

## How do these same dynamics relate to the subsequent interview process?

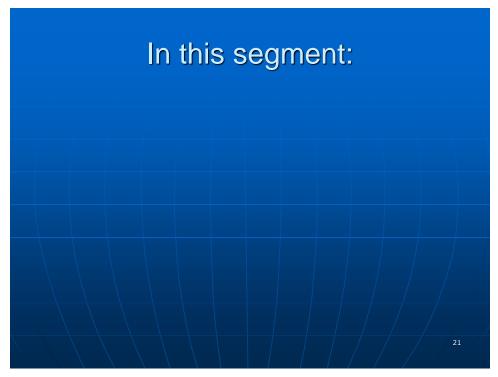
- **detect** deception
- identify purposeful intent
- utilize intensity of desire
- subjective norm positive/negative
- focus upon the violation of trust
- compliance gaining rationalization

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It is important to understand the psychological factors that might influence the <u>behavior</u> of fraud perpetrators.

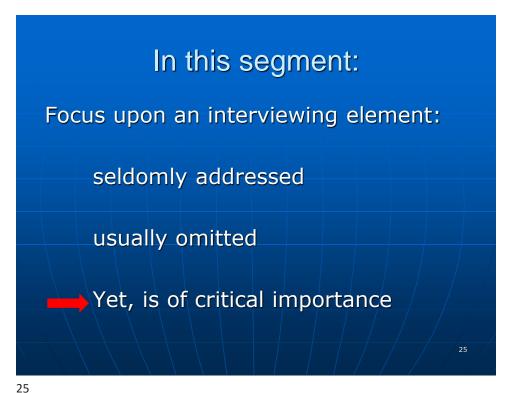
**Key Point**: Those same psychological factors relate directly to the successful outcome of the fraud related interview.







### In this segment: Focus upon an interviewing element: seldomly addressed usually omitted



The critical, opening moments of the interview

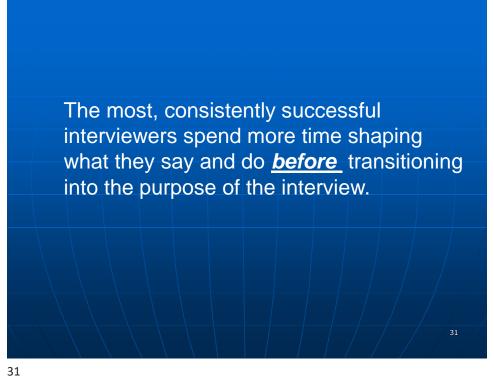




Phatic communication: verbal or non-verbal communication that has a social function, such as to start a conversation, greet someone, or say goodbye. Its informative function has to do with people **connecting** with one another.

29





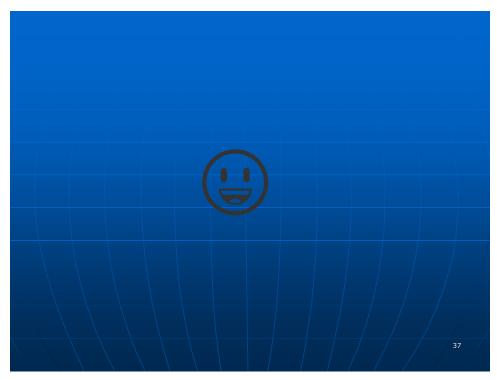


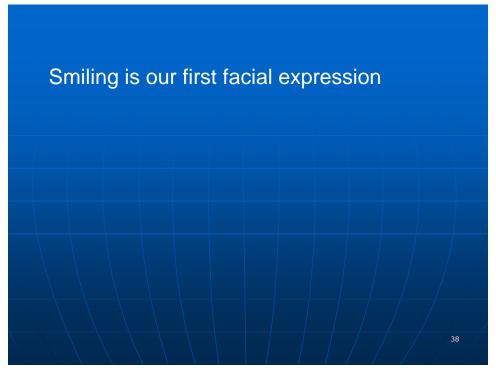


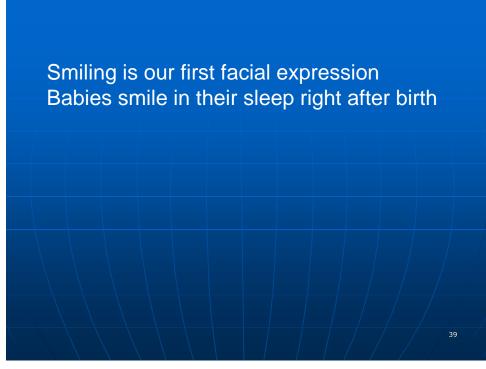


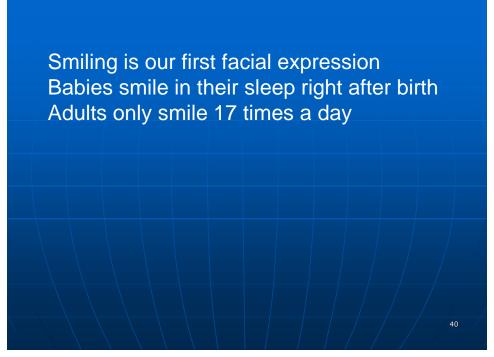


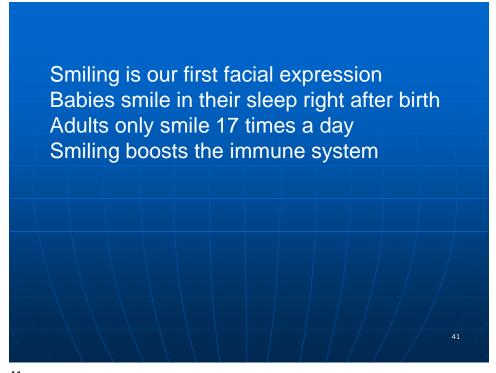
# The magic *nine*











Smiling is our first facial expression
Babies smile in their sleep right after birth
Adults only smile 17 times a day
Smiling boosts the immune system
It is easier to smile than to frown

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43

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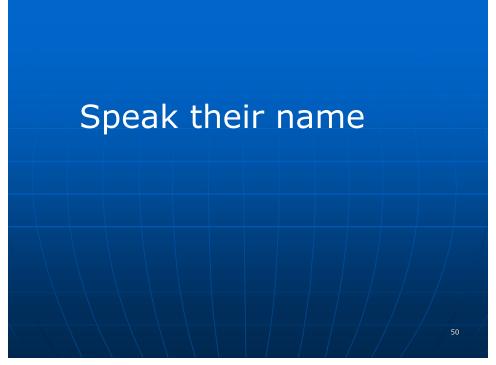
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Women smile more than men

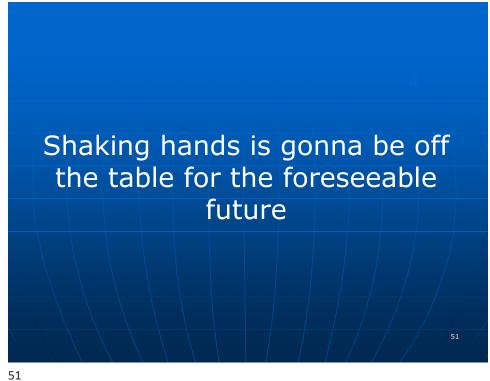
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A smile can be recognized from over 300'
There are 17 types of smiles
Women smile more than men
Smiling is contagious

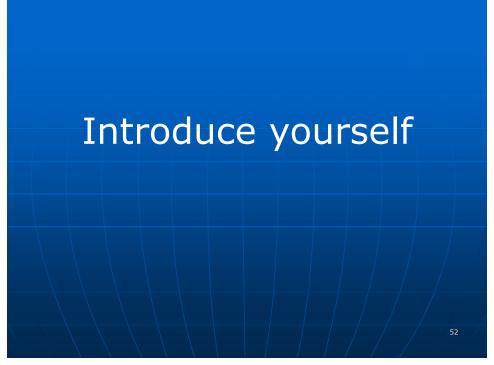
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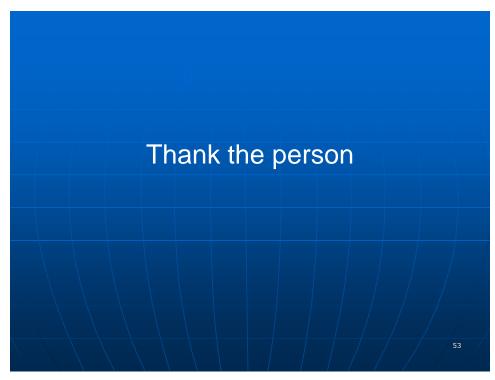


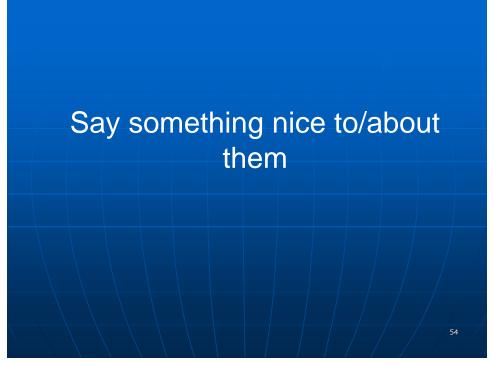


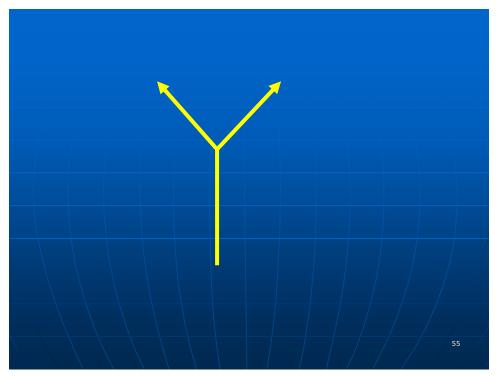




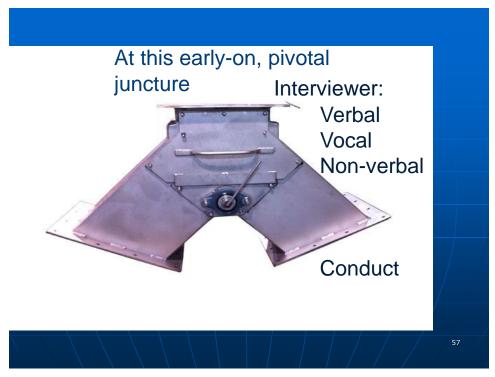






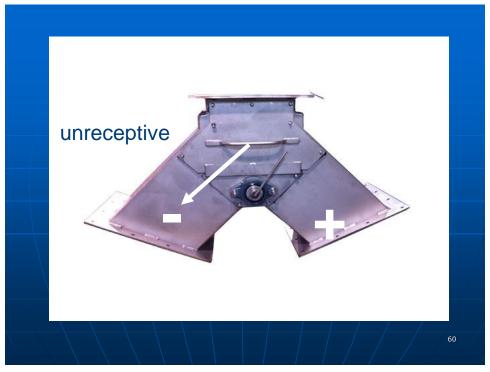






























### We are either . . . Making an opportunity within Looking for an the conduct of the opportunity within interview . . . . the conduct of the interview . . . . .



# We either . . . Hope that an opportunity will present opportunity Opportunity Opportunity

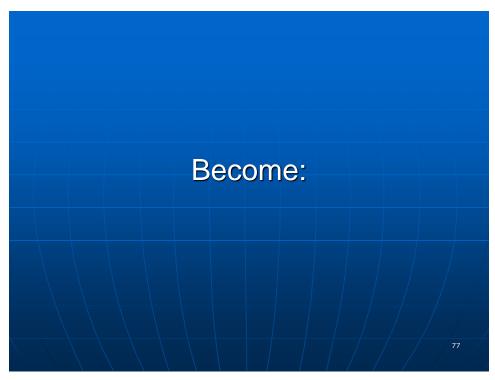




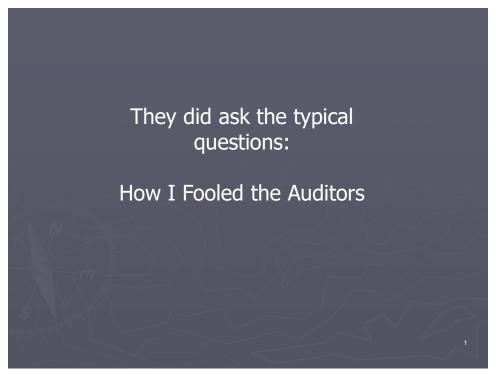
As interviewers, what we do in the opening moments of the interview plays no small part as to . . . . .

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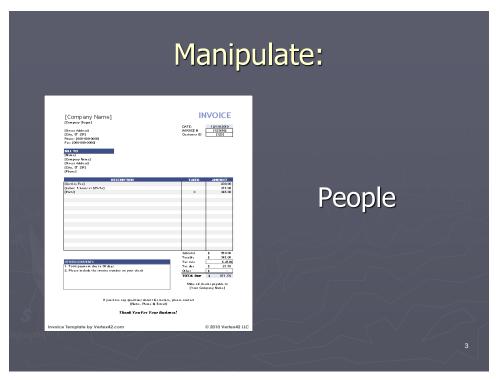


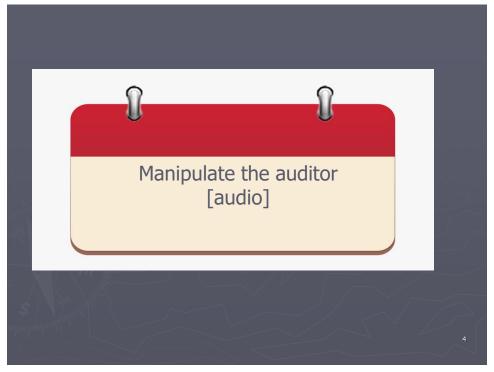


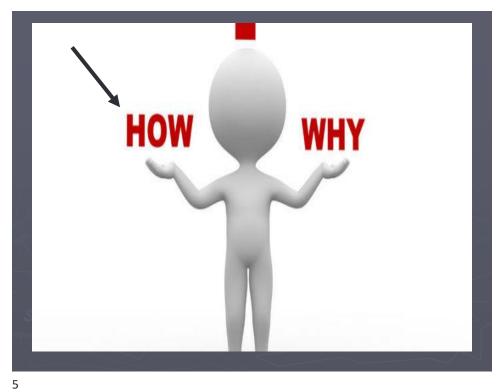


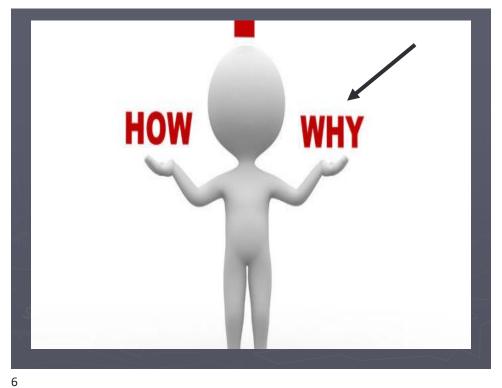


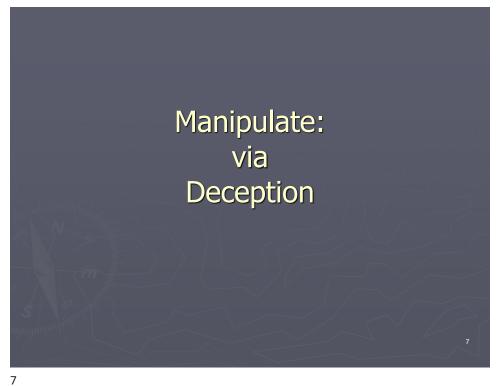
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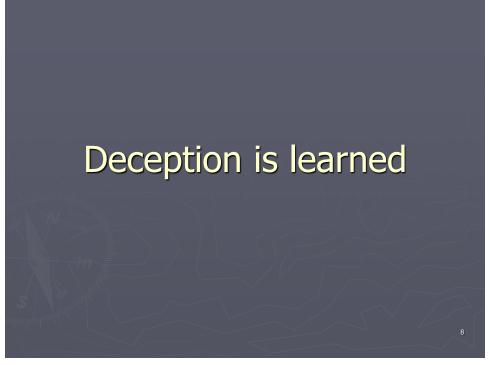


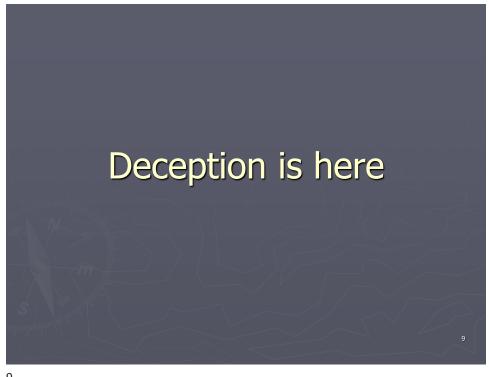




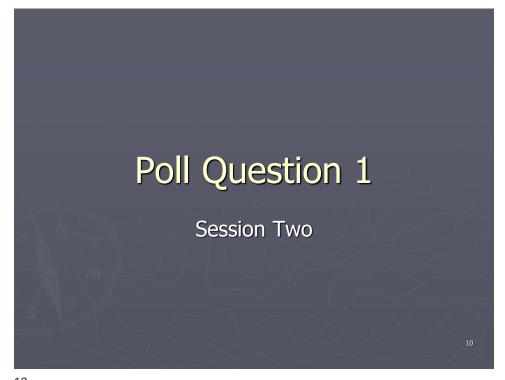








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# Interviewers must be cognizant of: Why do people deceive each other?



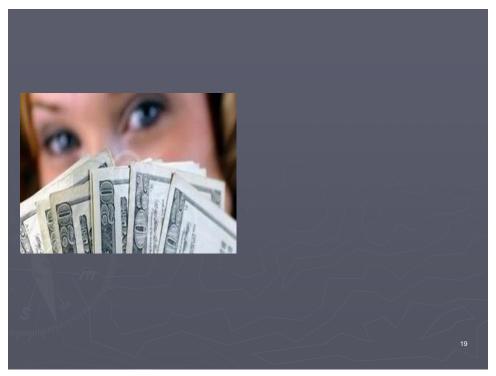




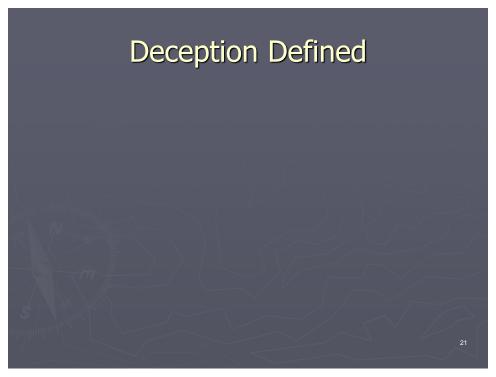






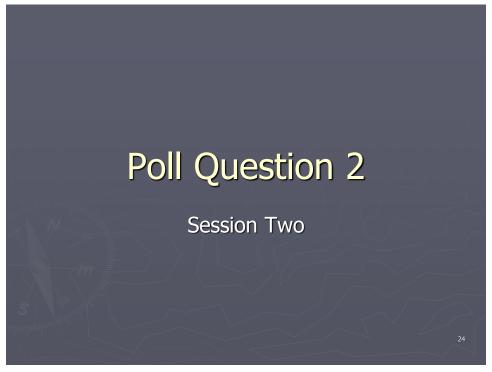


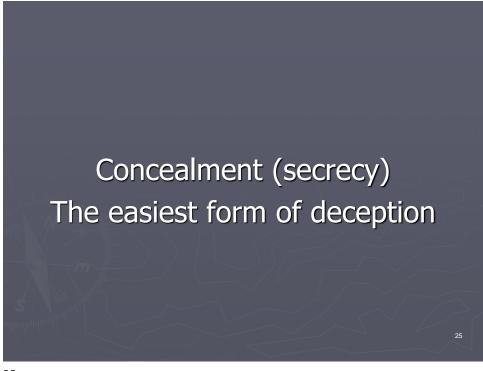




# Deception Defined "Action or speech designed to mislead another"







# **DECEPTION**

Probing Questions - - >
Portal of refuge

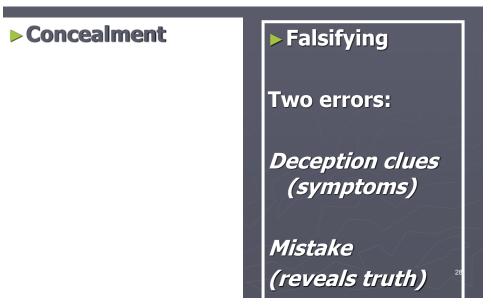
Maximize

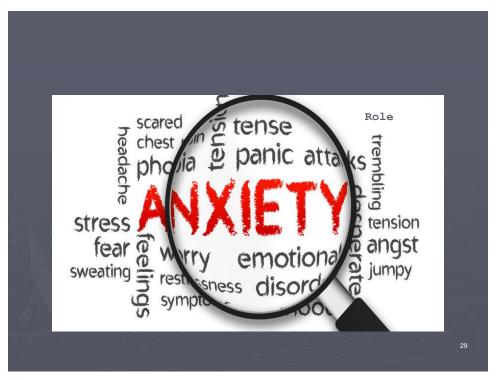
Minimize

Equivocate

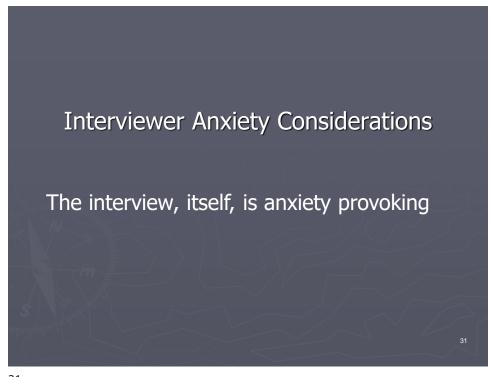


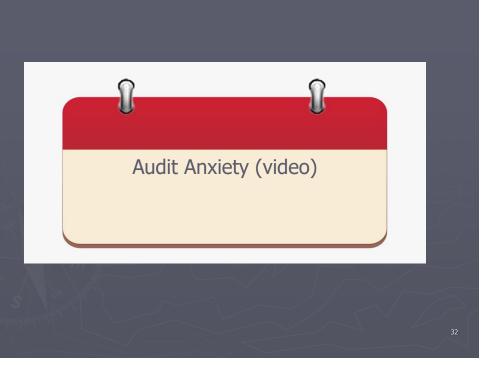
# **DECEPTION**

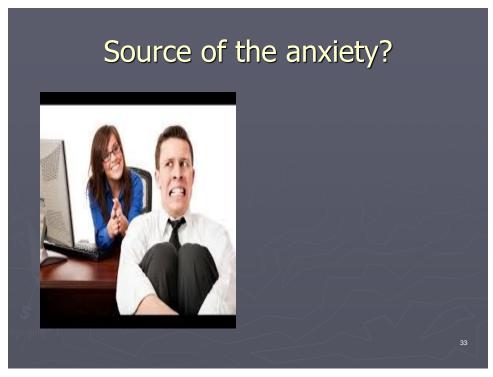




# Key – The Concept of Anxiety "Distress or uneasiness of mind caused by fear of danger or misfortune"









# **DECEPTION**

### **Concealment**

Probing Questions - - >
Portal of refuge

Maximize

Minimize

Equivocate

➤ Falsifying

Two errors:

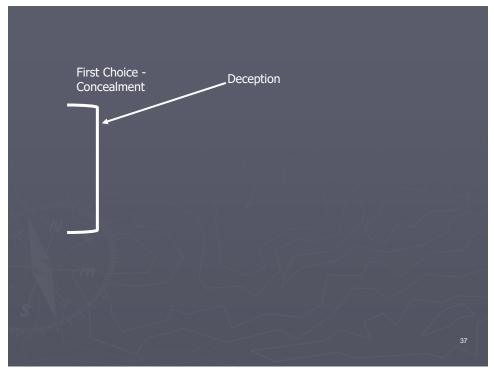
Deception clues
 (symptoms)

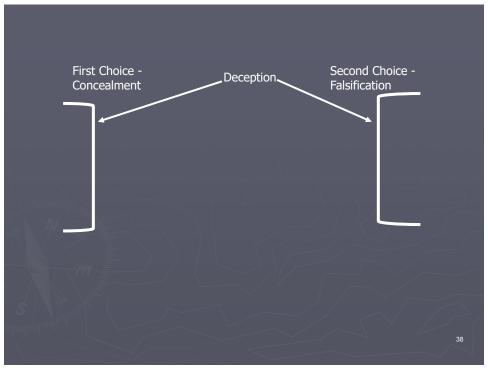
Mistake
 (reveals truth)

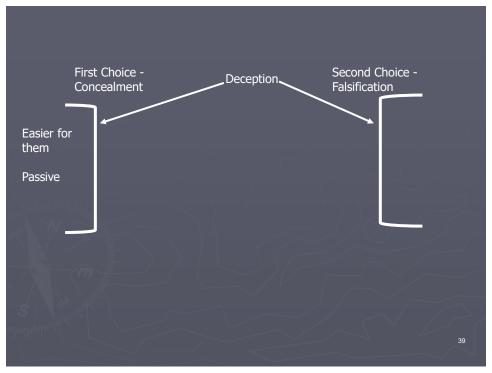
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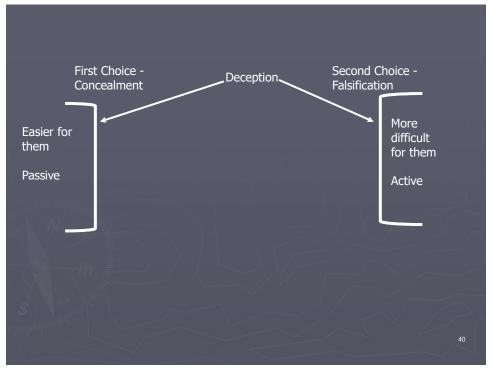
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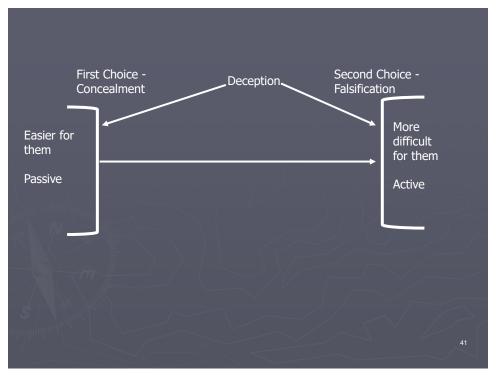


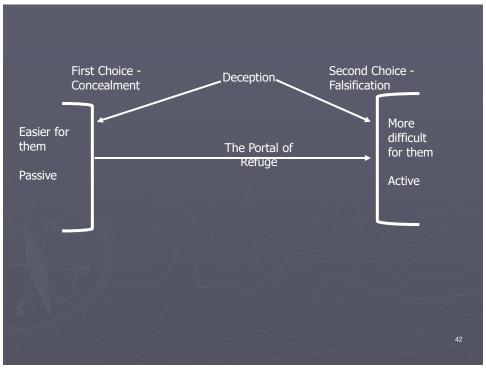


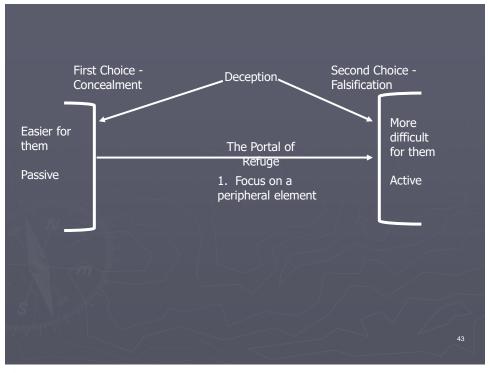


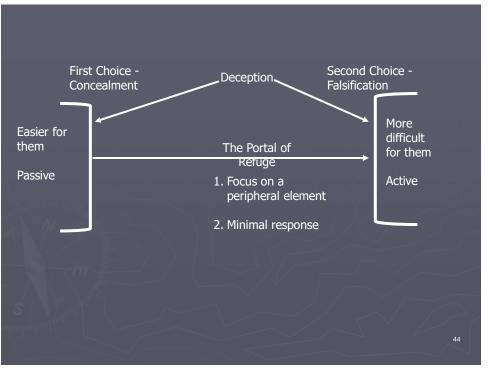


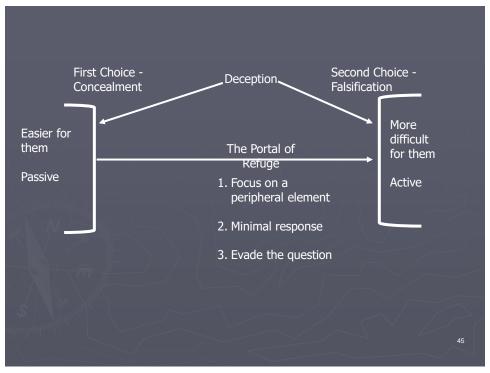


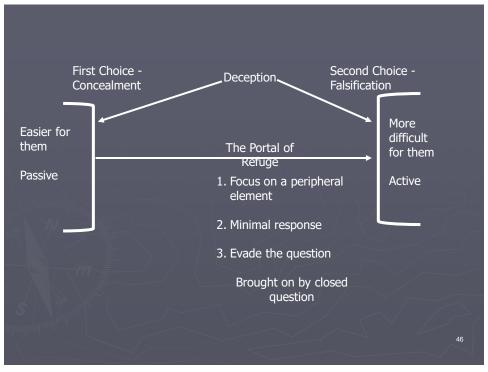


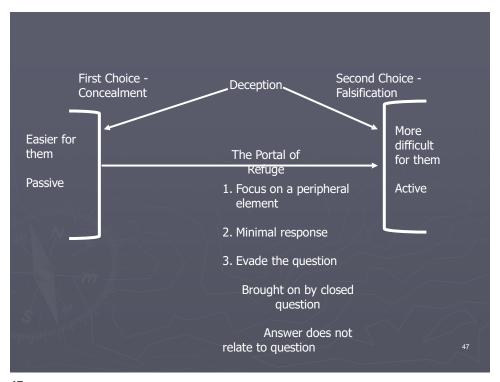


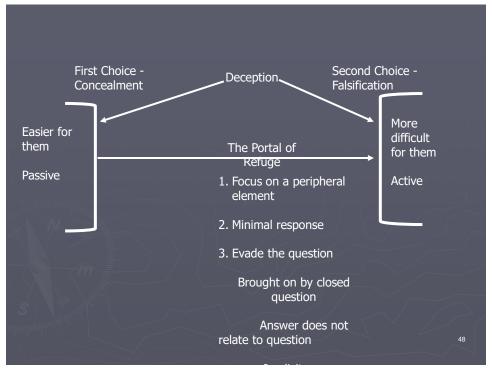












# Salient Deception Clues

### Individual is:

- Less Certain – use of modifiers;

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# Salient Deception Clues

### Individual is:

- Less Certain use of modifiers;
  - Fewer Factual Statements

# Salient Deception Clues

### Individual is:

- Less Certain use of modifiers;
  - Fewer Factual Statements
  - Mention their own experience less often:

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51

# Passive voice

I got to work yesterday at eight am.
I opened my drawer and got my deposit bag.
Saw that my deposit bag was \$2500 short
Looked into my associate's bag for the money
Saw the money was not in the bag
I went back to my desk and called my boss
and told her the money was missing.

# Second person referencing

Sometimes when you get busy, you will not finish the paperwork immediately. Later on, when you get the chance, you will reconstruct the transactions as best as you can remember.

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- Adaptors – internal, self and object;

Adaptors – internal, self and object;
Response latency will increase

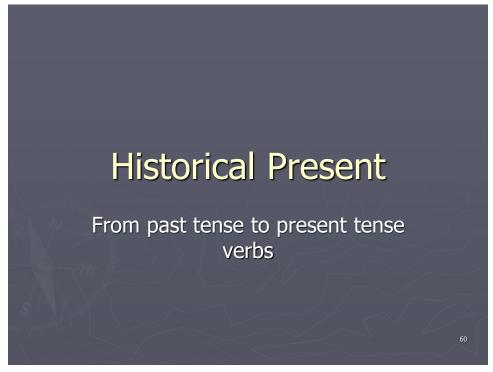
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# Response Latency Question . . . . Answer Question . . . . Answer Question . . . . . Answer Silence Vocal Verbal









I got to work yesterday at eight am.

I opened my drawer and got my deposit bag.

I see that my deposit bag is \$2500 short

I look into my associate's bag for the money

I see the money is not in the bag

I went back to my desk and called my boss

and told her the money was missing.

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## Clusters

I got to work yesterday at eight am.

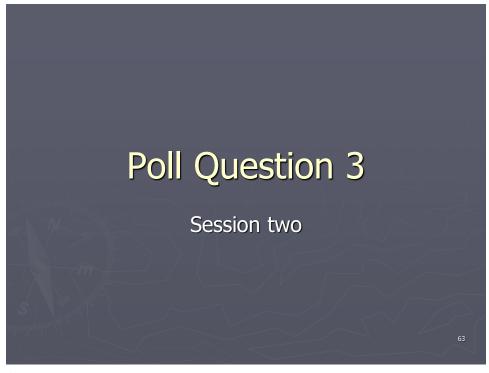
I opened my drawer and got my deposit bag.

See that my deposit bag is \$2500 short

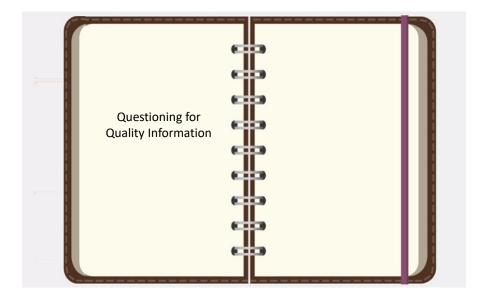
Look into my associate's bag for the money

See the money is not in the bag

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2 Minutes to write20 questions

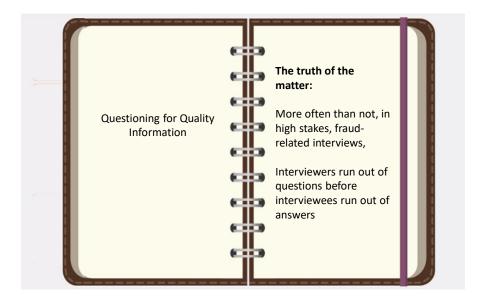
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From where did the water come?
How did the water get into the glass?
What happened to the rest of the water?
Who put the water into the glass?
Where did the glass come from?
What is in the water?
What is *not* in the water?
What temperature is the water?
How much water is in the glass?
How long has the water been in the glass?

How much water can the glass hold?
Is the water drinkable?
Is it, indeed, water?
What does the water taste like?
Are there indications someone drank from the glass?
Who made the glass?
Are there similar glasses around?
Are there any imperfections on the glass?
What is the temperature of the area surrounding the glass?

5

Who owns the glass?



## When conducting High Stakes, fraud-related Interviews:

Don't leave anything on the table.

From an interviewing perspective, we often leave money on the table

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Money, in this case, being information

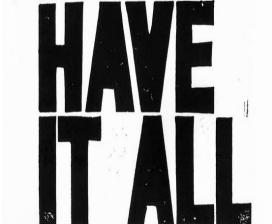


## **?** Regarding information:

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We leave money	on the	table	when:
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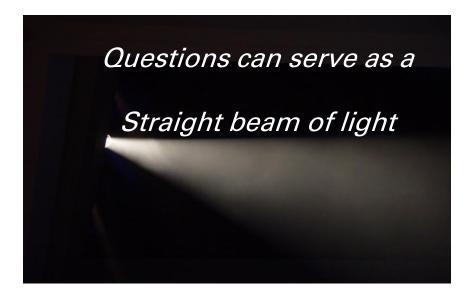
We are inadequately trained  $\ldots$ 

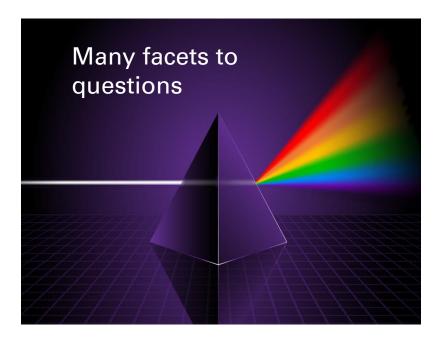
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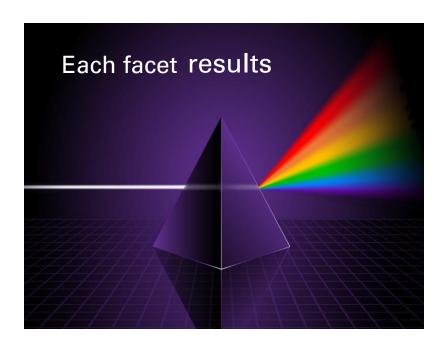
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We leave money on the table when:

We are inadequately trained . . . . We are deceived by the interviewee



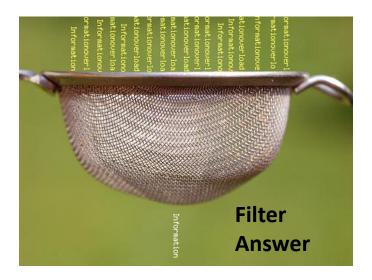


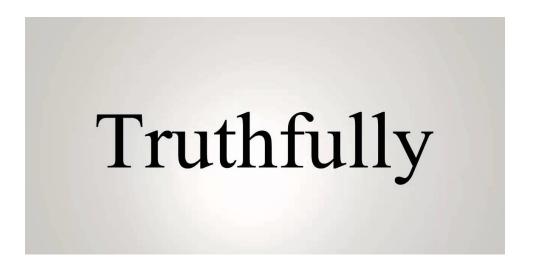




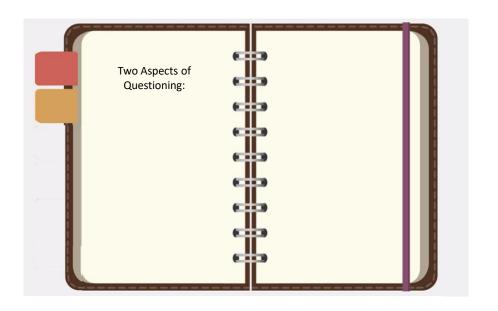


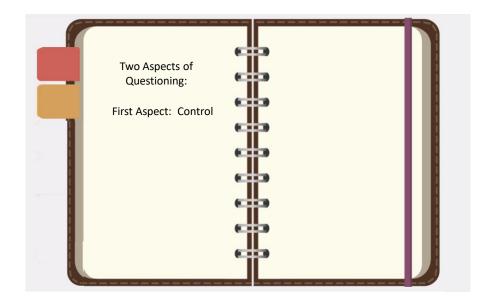


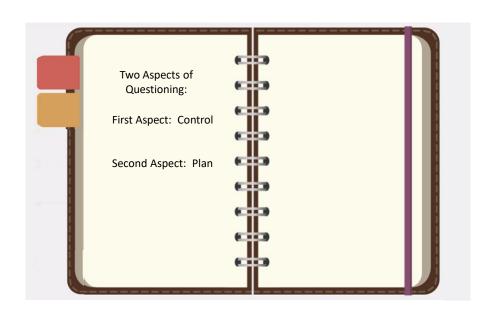


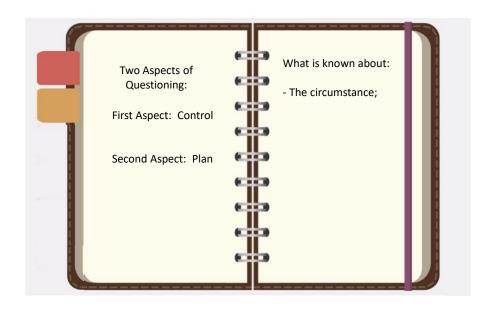


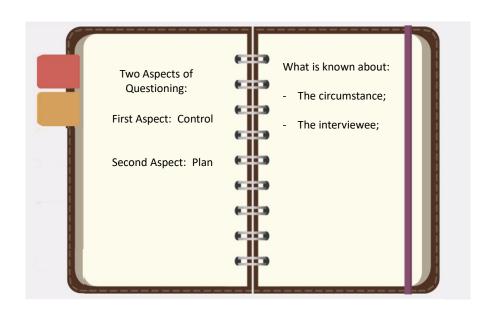


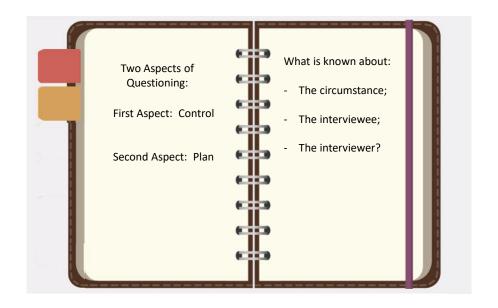










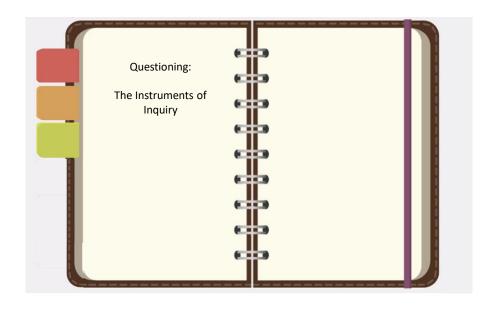


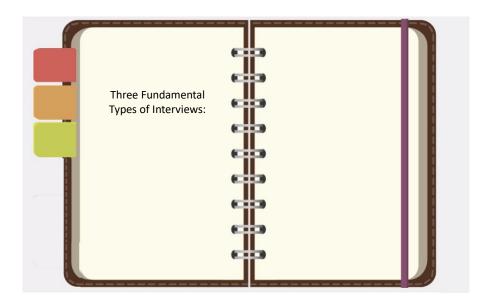
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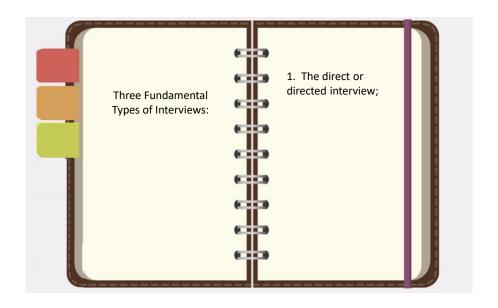
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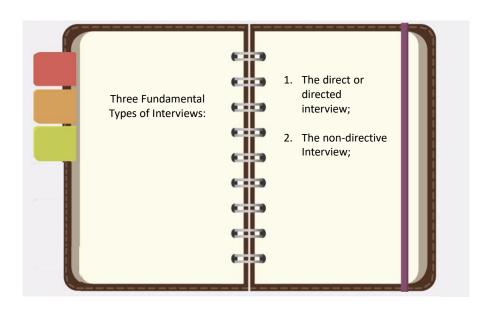


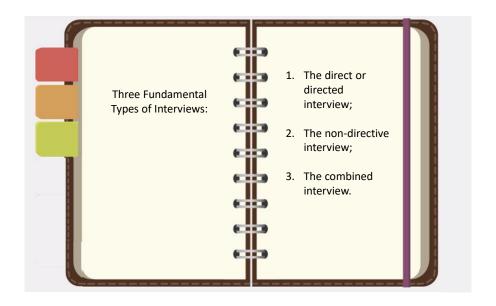
YOU Interview
THE WAY YOU
Practice



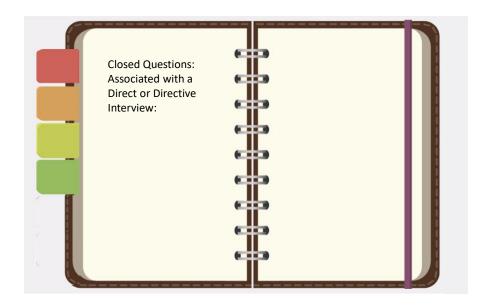


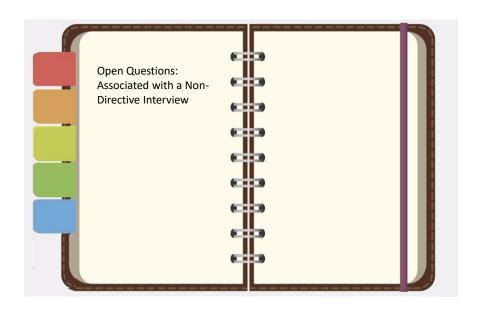


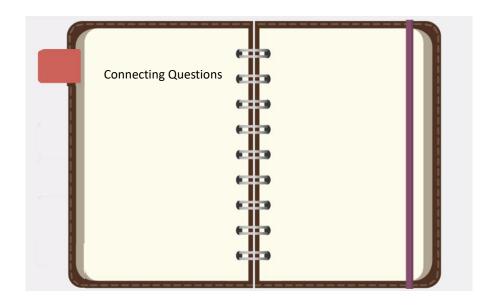


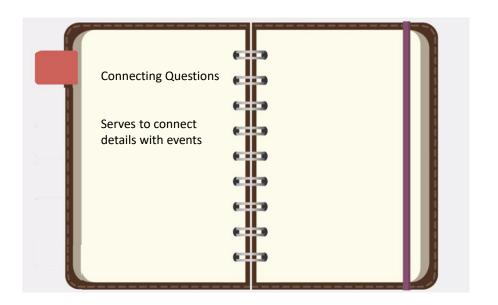


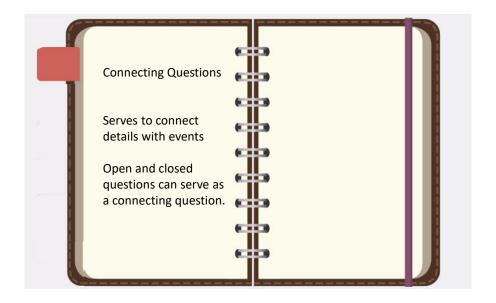
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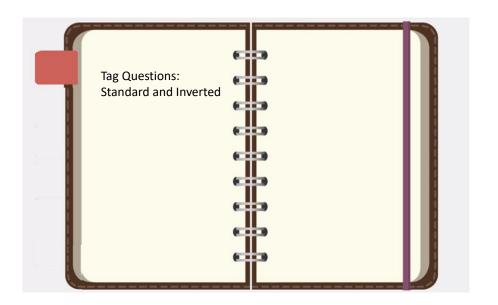




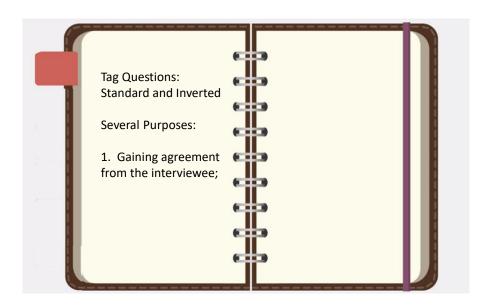


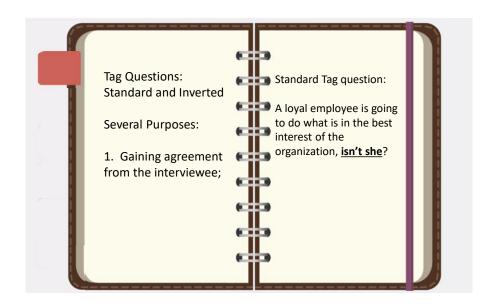


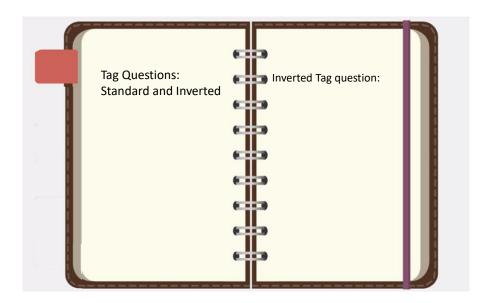


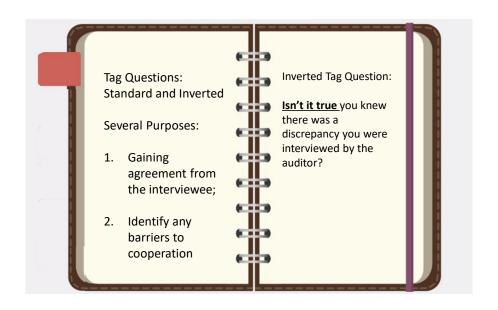


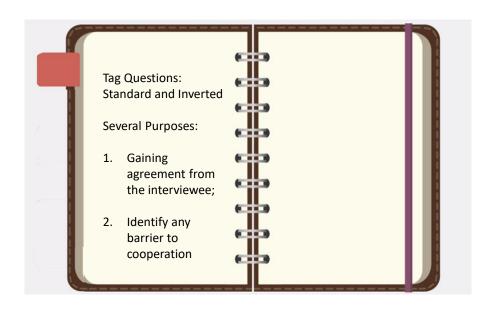


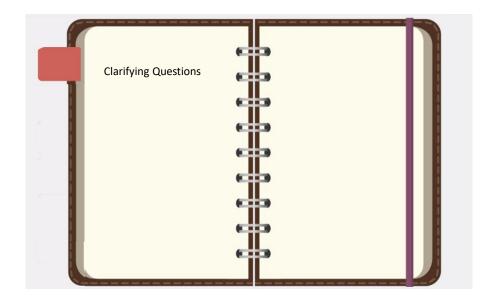


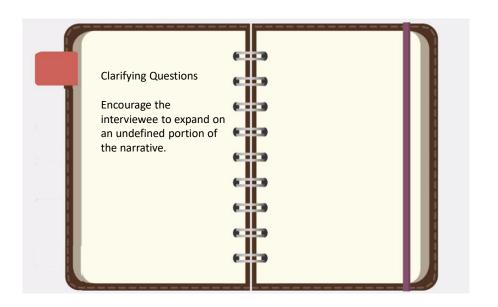


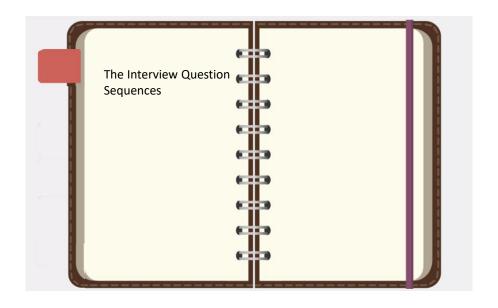


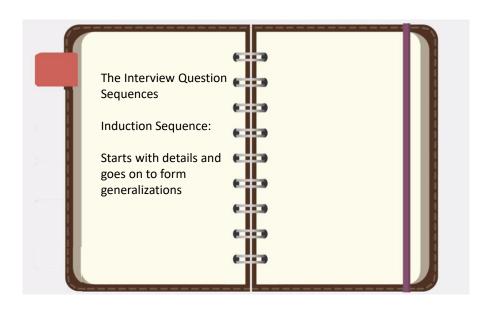


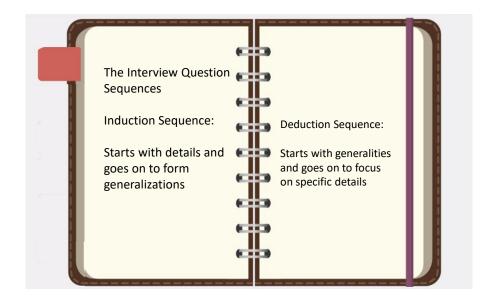


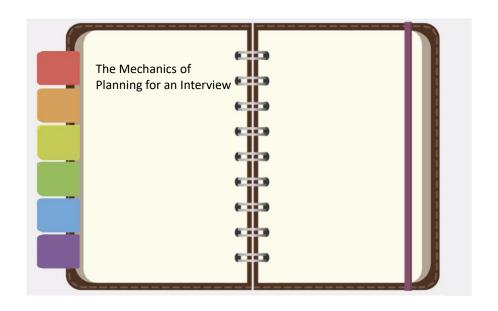


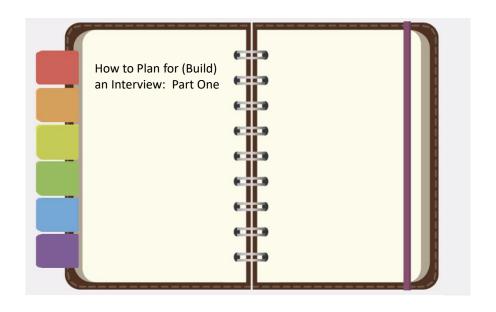


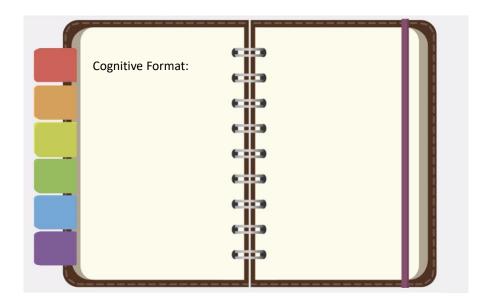


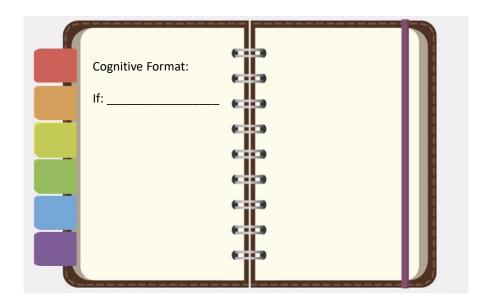


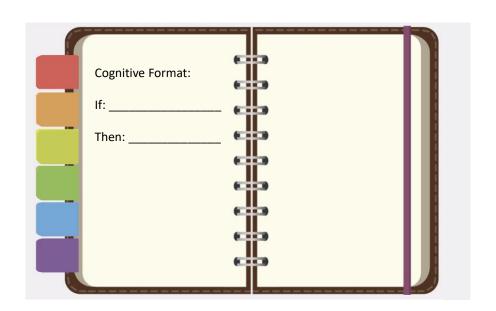


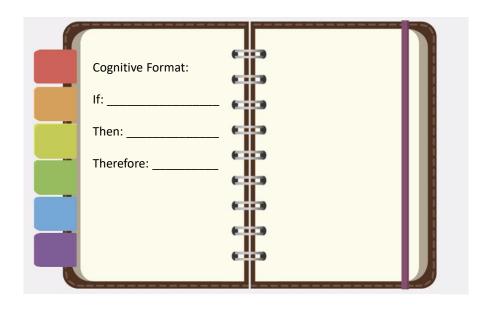


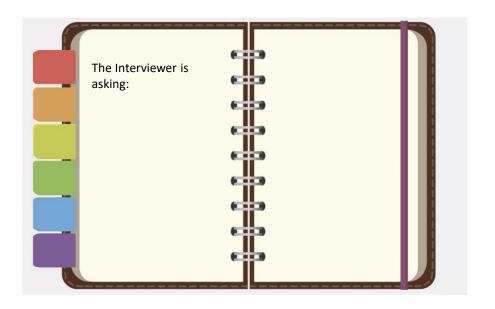


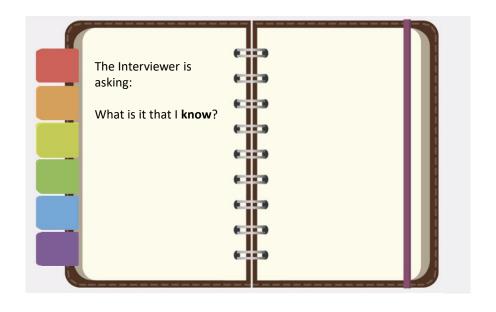


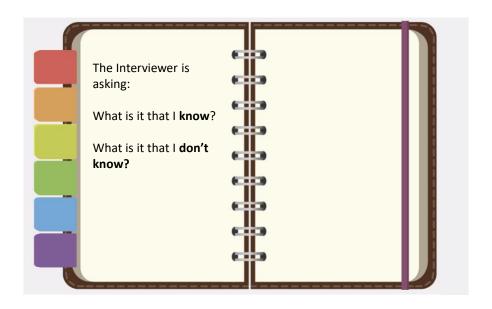


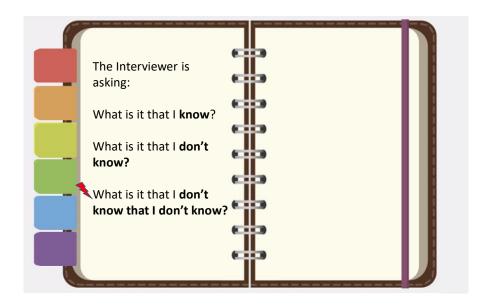


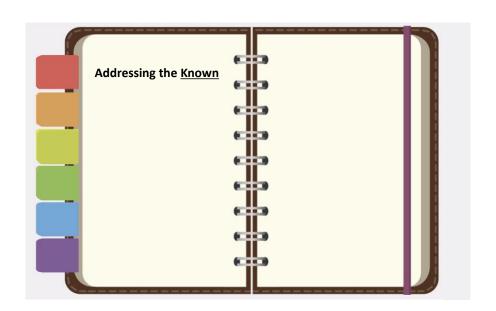


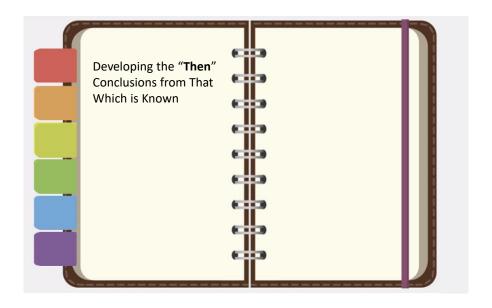


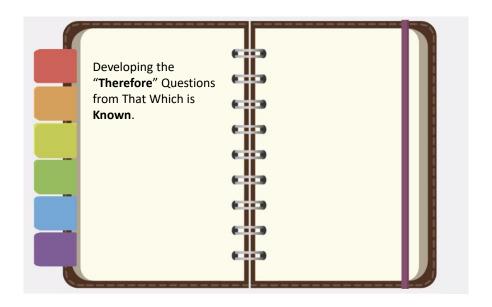


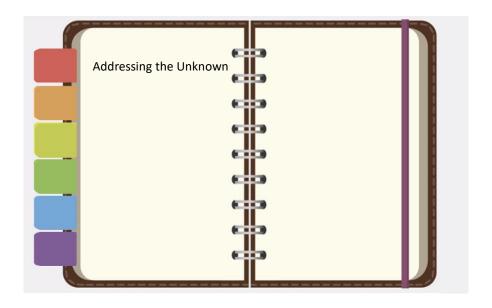


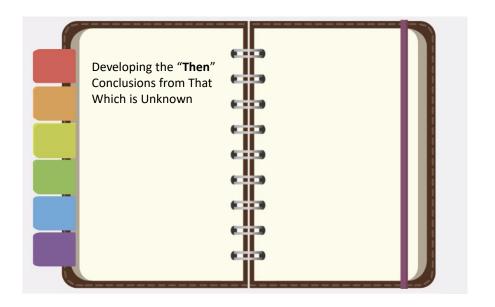


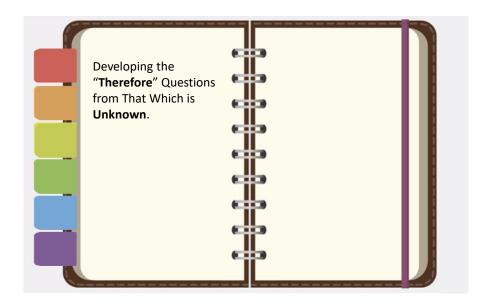


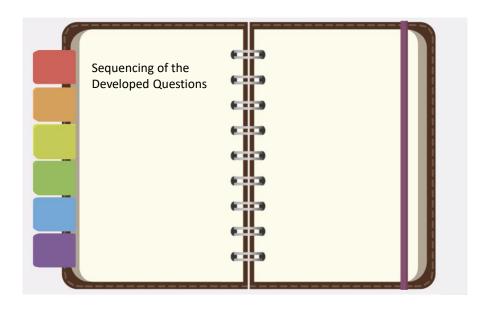


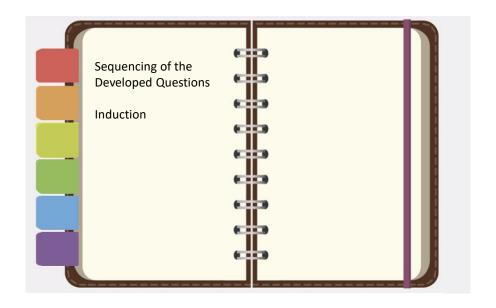


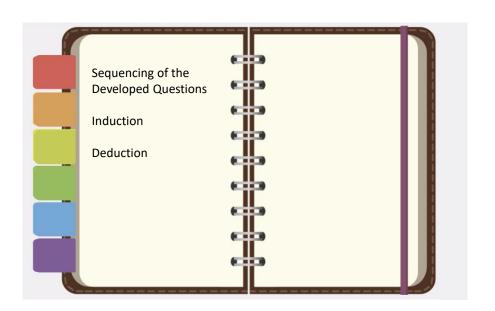




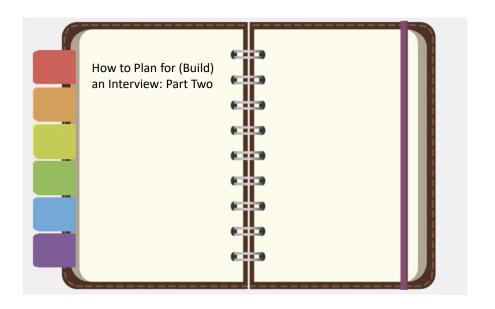












## Developing an endless stream of questions

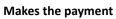
# The case of the missing platinum

## Added to the "IF – THEN – THEREFORE" planning process:

## People:



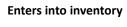












## People:



85

Uses the purchase

## People:

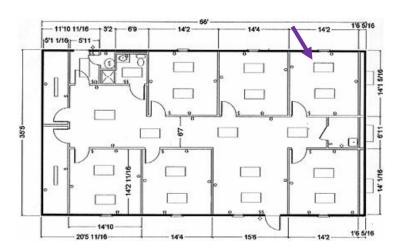




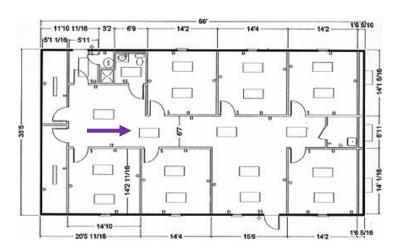
## Places:



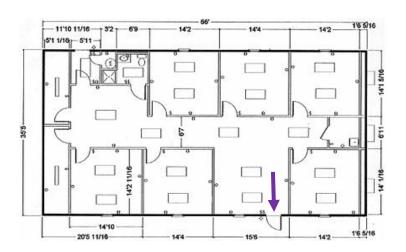
## Places:



## Places:



## Places:



## Things:



## Things:



93

#### Things:



## Things:



#### Events – in – Time:



#### Events – in – Time:

## What <u>happens</u> when?



97

97

#### Events – in – Time:

## What happens when?



## 4 1 1

## Developing an Endless Stream of Questions

99

99

## 411

Developing an Endless Stream of Questions 4 elements of inquiry

## 4 1 1

## Developing an Endless Stream of Questions 4 elements of inquiry 1 piece of paper

101

101

## 411

Developing an Endless Stream of Questions
4 elements of inquiry
1 piece of paper
1 hour



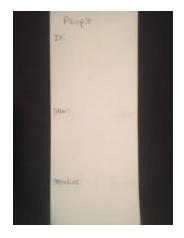












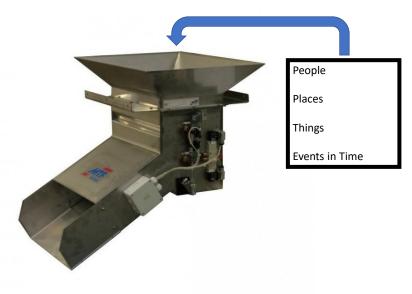




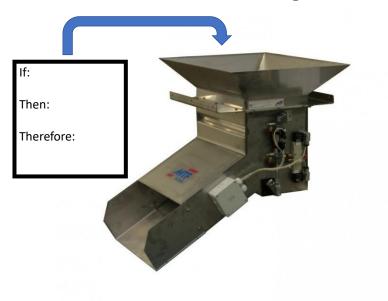
## **Question Generating Machine**



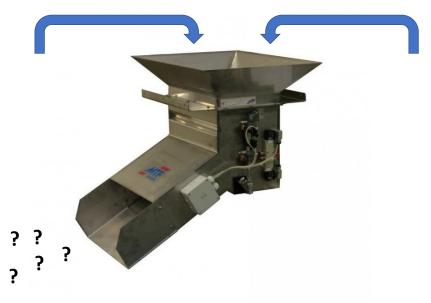
## **Question Generating Machine**



## **Question Generating Machine**



## **Question Generating Machine**





117

117

#### **Purchased**

## Came into the facility

Came into the facility

**Stored** 

119

119

#### **Purchased**

Came into the facility

**Stored** 

Requisitioned

Came into the facility

**Stored** 

Requisitioned

**Used** in

manufacturing process

121

121

**Purchased** 

Came into the facility

**Stored** 

Requisitioned

Used in Remaining platinum recovered manufacturing process

Came into the facility

**Stored** 

Requisitioned

Sold on the backend

Used in Remaining platinum recovered manufacturing process

123

123

**Purchased** 

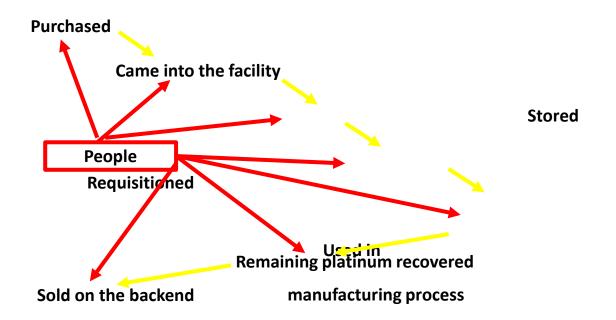
Came into the facility

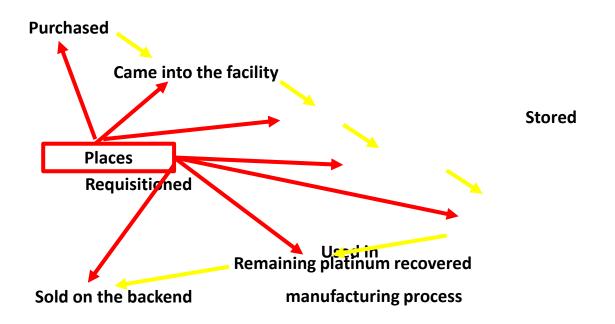
**Stored** 

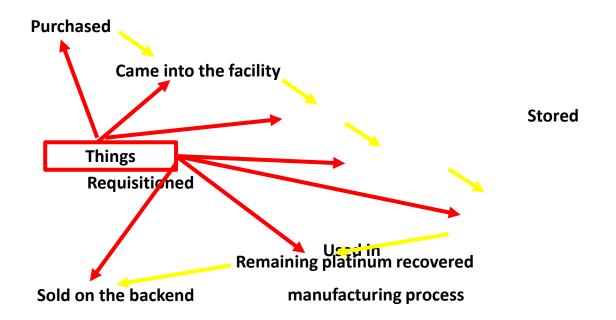
Requisitioned

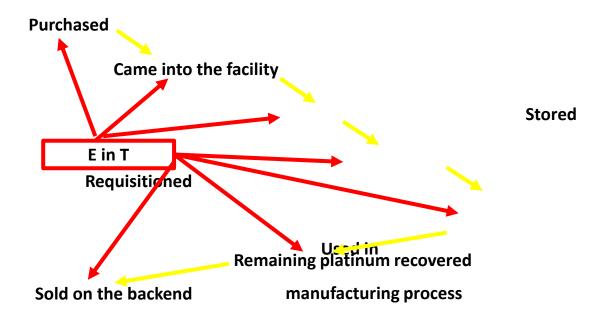
Remaining platinum recovered

Sold on the backend manufacturing process











129

If:

An alleged scam involving appropriating refunds for merchandise that was never returned is reported to have netted two store employees better than \$100,000.

Jane Doe, 24, of Anytown and co-worker Amy Samee, 39, are suspected of taking refunds that were processed for big-ticket merchandise that never was returned to the store.

Doe is suspected of pocketing \$106,268 since October 2019, and Samee is suspected of taking \$2,289.

A manager in the electronics department did an inventory and found several pieces of merchandise missing on July 13, sparking an inquiry. A records check revealed Doe had processed refunds for the items, but that they hadn't been brought into the store.

130

lf:		 	 _
The	en:		_

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131

If: \_\_\_\_\_\_

Therefore: \_\_\_\_\_

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132

lf:			

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12

133

If: \_\_\_\_\_

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If:
Then:
Therefore:

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135

135

If: \_\_\_\_\_\_

Therefore: \_\_\_\_\_

An alleged scam involving appropriating refunds for merchandise that was never returned is reported to have netted two store employees better than \$100,000.

People

Jane Doe, 24, of Anytown and co-worker Amy Samee, 39, are suspected of taking refunds that were processed for big-ticket merchandise that never was returned to the store.

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If: Then:	An alleged scam involving appropriating refunds for merchandise that was never returned is reported to have netted two store employees better than \$100,000.	People Places
Therefore:	Jane Doe, 24, of Anytown and co-worker Amy Samee, 39, are suspected of taking refunds that were processed for big-ticket merchandise that never was returned to the store.	
	Doe is suspected of pocketing \$106,268 since October 2019, and Samee is suspected of taking \$2,289.	
	A manager in the electronics department did an inventory and found several pieces of merchandise missing on July 13, sparking an inquiry. A records check revealed Doe had processed refunds for the items, but that they hadn't been brought into the store.	:
137		
If: Then:	An alleged scam involving appropriating refunds for merchandise that was never returned is reported to have netted two store employees better than \$100,000.	People Places
Therefore:	Jane Doe, 24, of Anytown and co-worker Amy Samee, 39, are suspected of taking refunds that were processed for big-ticket merchandise that never was returned to the store.	Things
	Doe is suspected of pocketing \$106,268 since October 2019, and Samee is suspected of taking \$2,289.	
	A manager in the electronics department did an inventory and found several pieces of merchandise missing on July 13, sparking an inquiry. A records check revealed Doe had	

processed refunds for the items, but that they

hadn't been brought into the store.

If: \_\_\_\_\_

Then:

Therefore: \_\_\_\_\_

An alleged scam involving appropriating refunds for merchandise that was never returned is reported to have netted two store employees better than \$100,000.

People

Places

Jane Doe, 24, of Anytown and co-worker Amy Samee, 39, are suspected of taking refunds that were processed for big-ticket merchandise that never was returned to the store.

Things

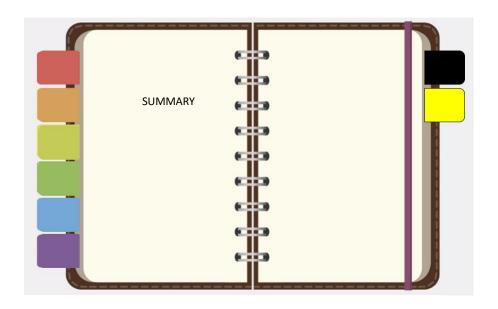
EnT

Doe is suspected of pocketing \$106,268 since October 2019, and Samee is suspected of taking \$2,289.

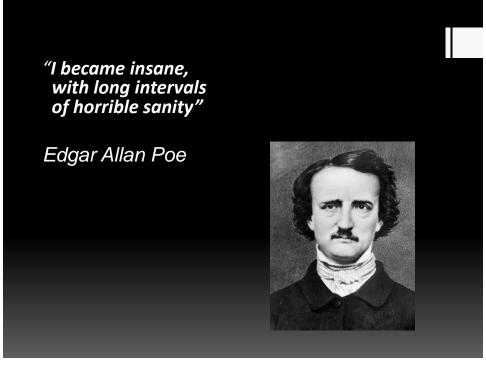
A manager in the electronics department did an inventory and found several pieces of merchandise missing on July 13, sparking an inquiry. A records check revealed Doe had processed refunds for the items, but that they hadn't been brought into the store.

13

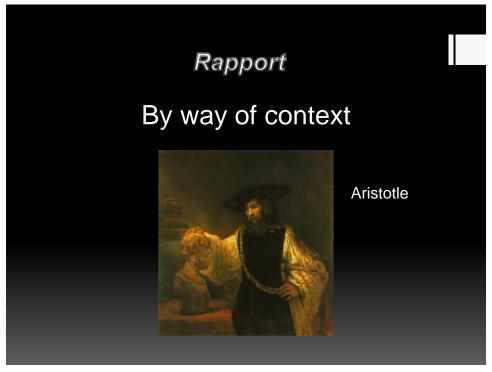
139





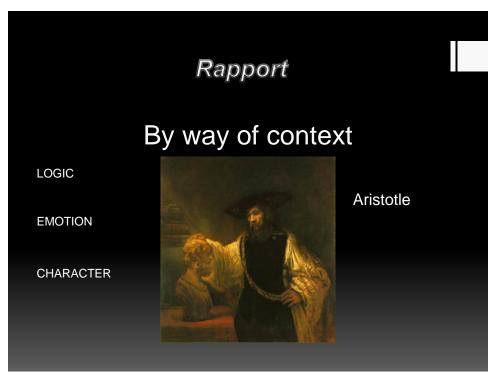


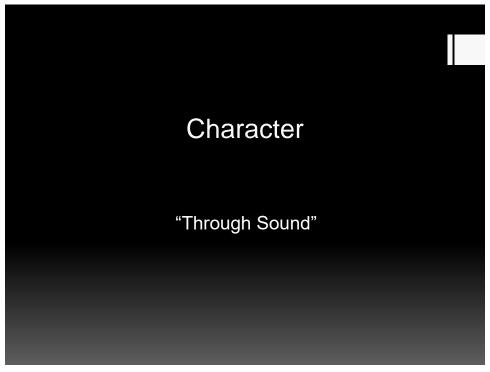


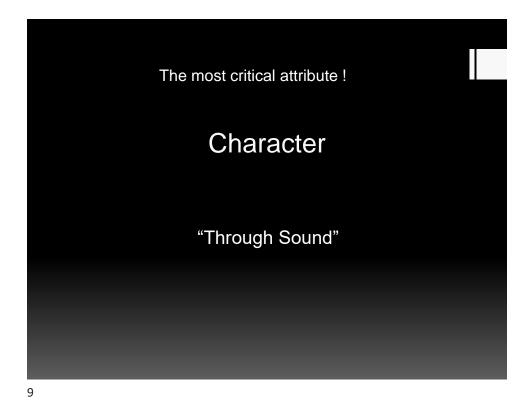








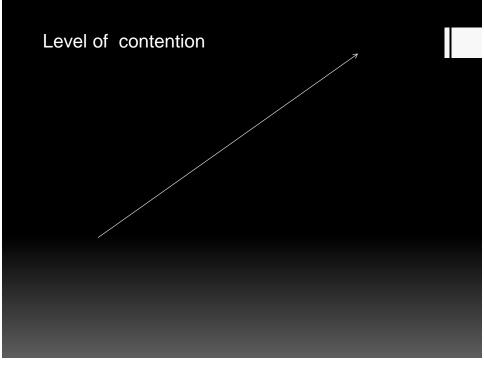


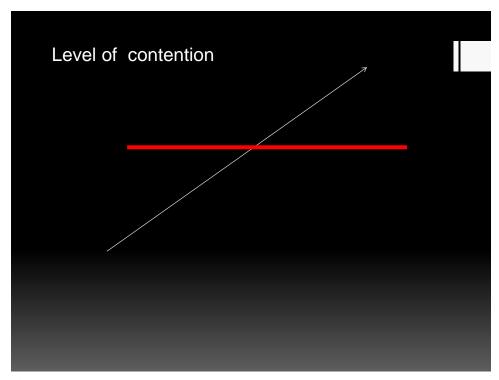


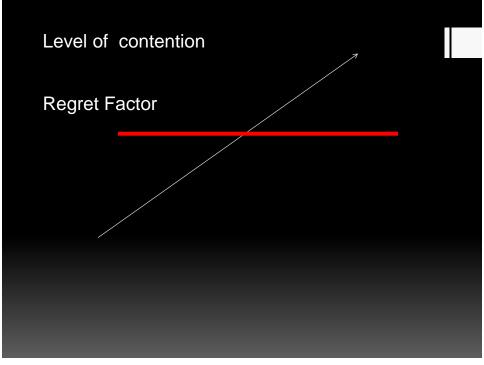
Purpose:

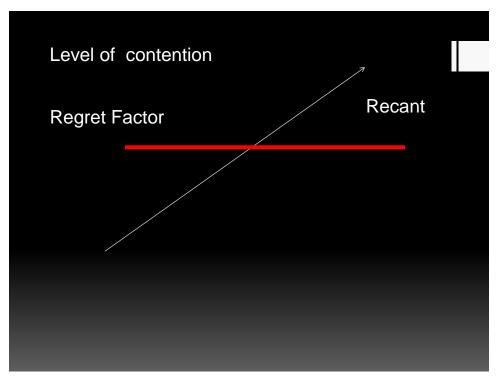
Enhance the success rate in gaining a positive interviewing outcome

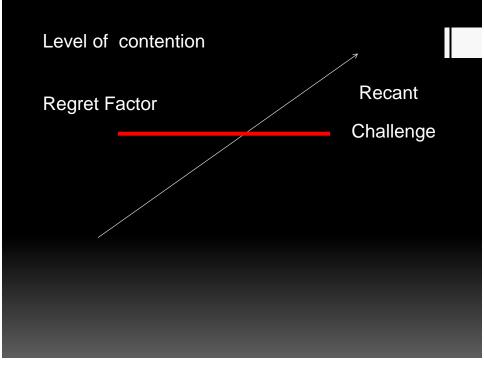


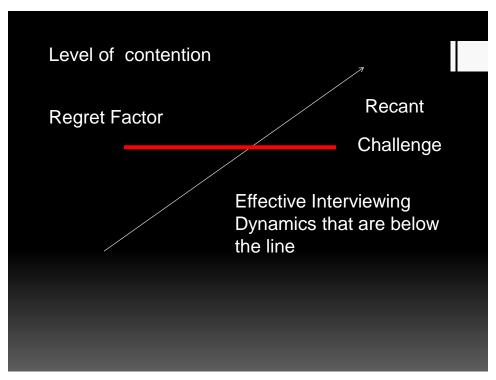














	Rapport Defined:	
" ————————————————————————————————————		-



... heightened attention leading to increased suggestibility.

The suggestion being, move from the unwilling chair to the willing chair –

"The art of Persuasion"

21

# The three benefits of rapport:

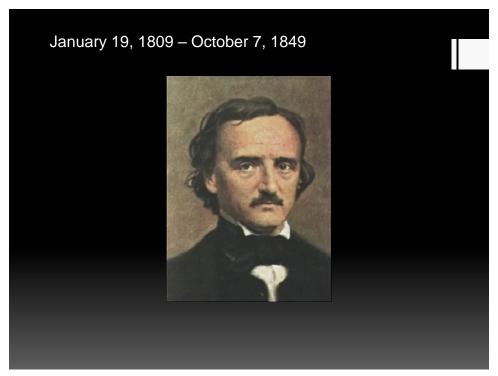
- **✓** Trust
  - ✓ Help
    - **✓** Understanding

#### HOW IT IS DEVELOPED

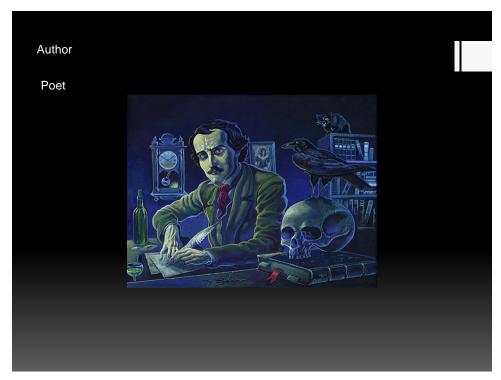
- Confirmation?
- Formula for development
- Verification
- Three options

23

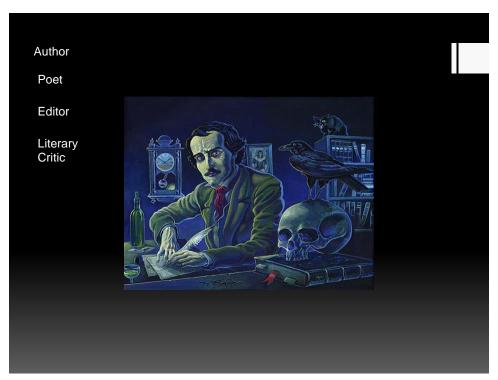
This brings us up to:



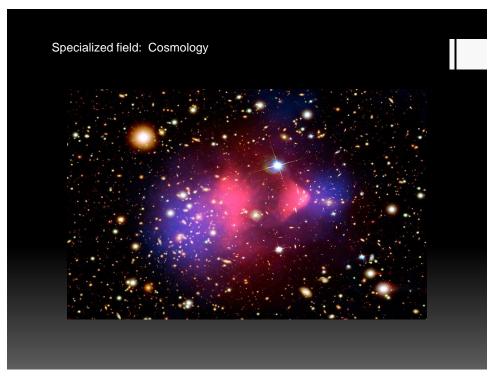


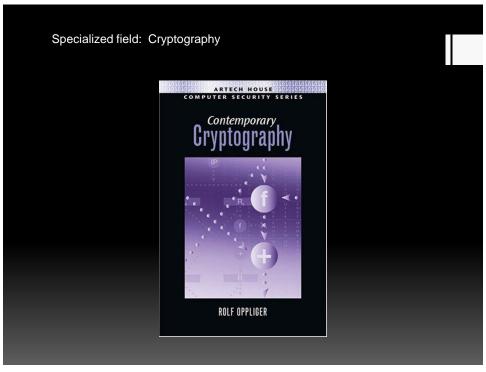
















'When I wish to find out how wise, or how stupid, or how good, or how wicked is any one, or what are his thoughts at the moment, I fashion the expression of my face, as accurately as possible, in accordance with the expression of his, and then wait to see what thoughts or sentiments arise in my mind or heart, as if to match or correspond with the expression.'

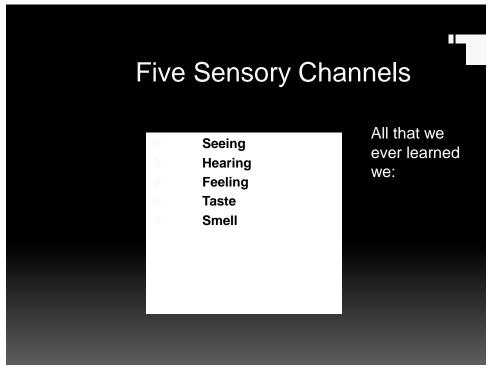
35

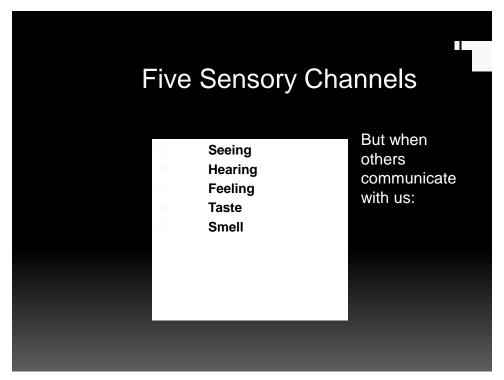
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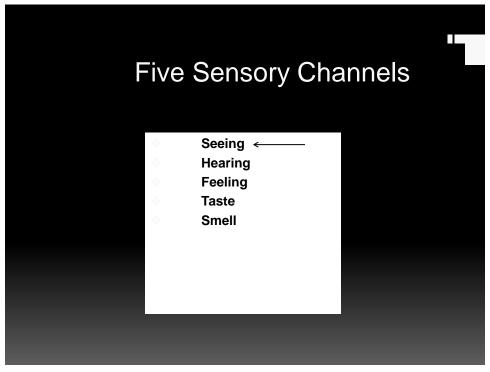


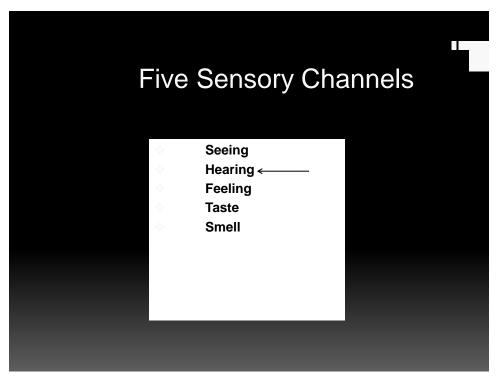


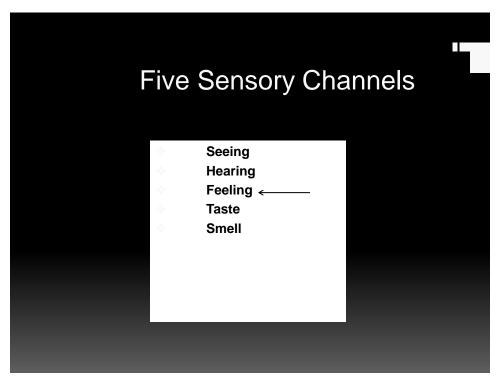


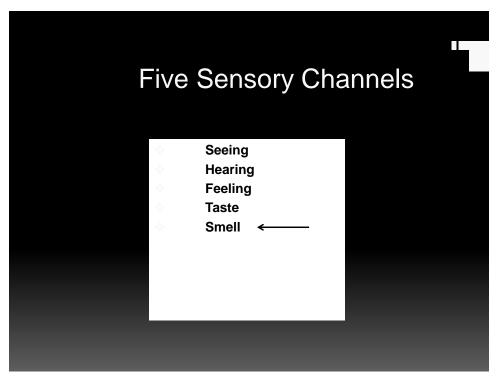


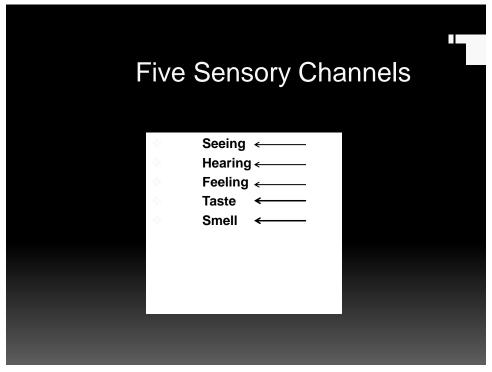


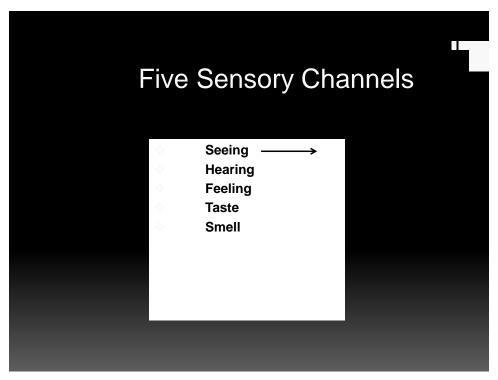


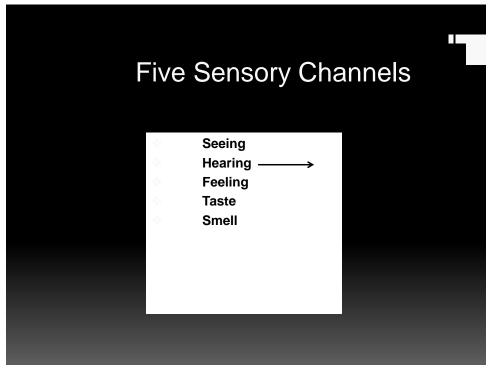


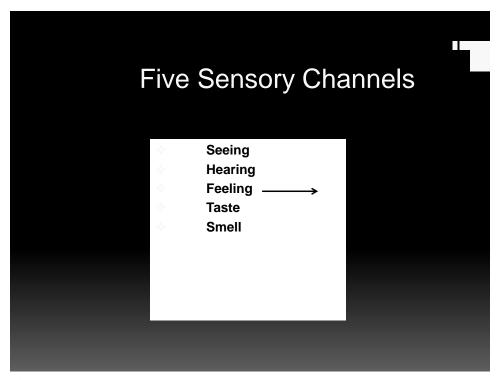


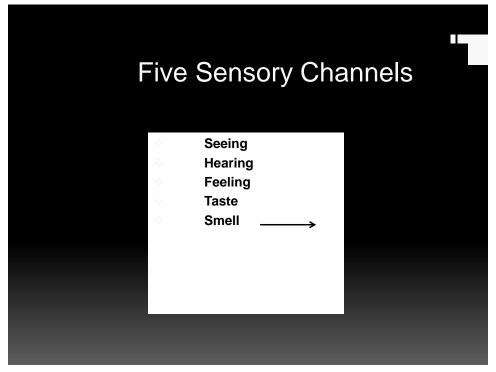


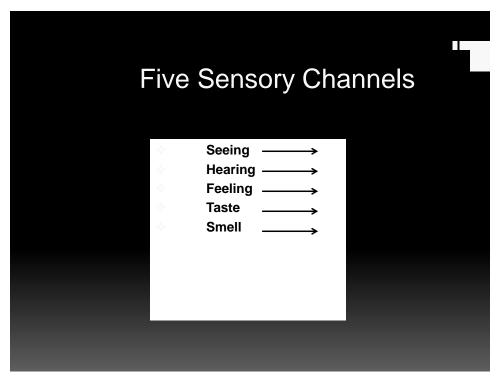


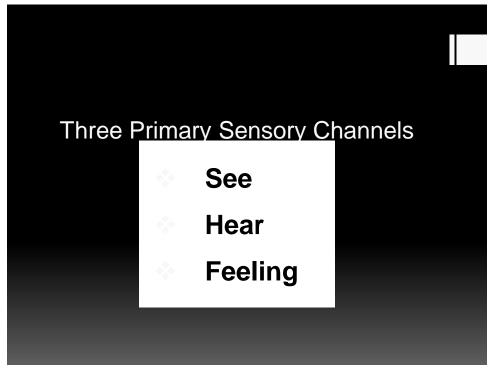


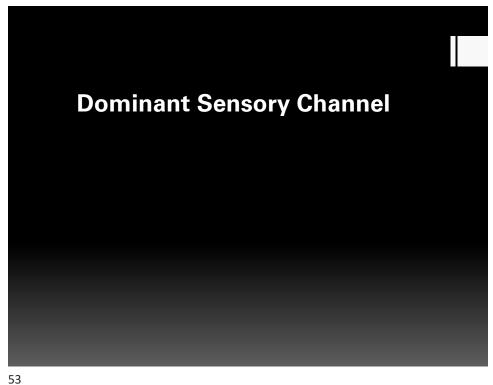




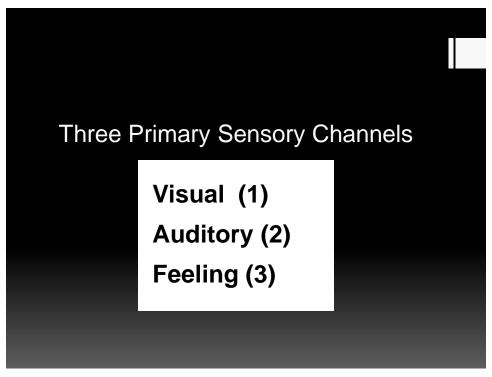








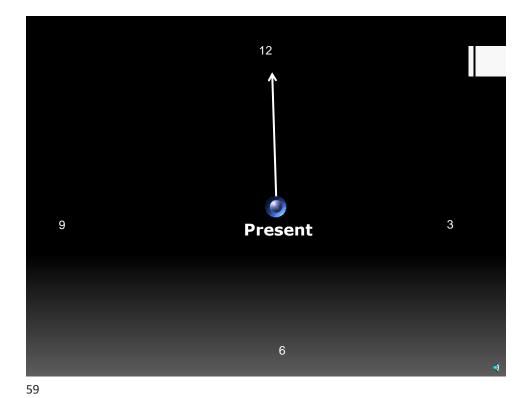


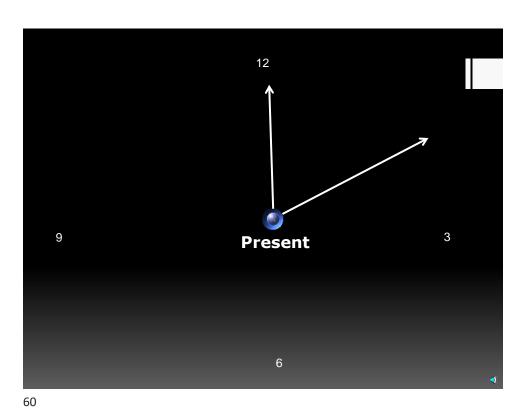


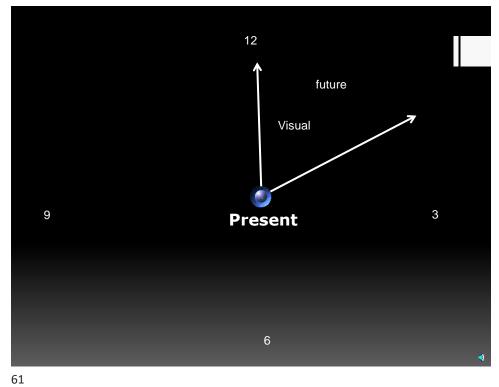


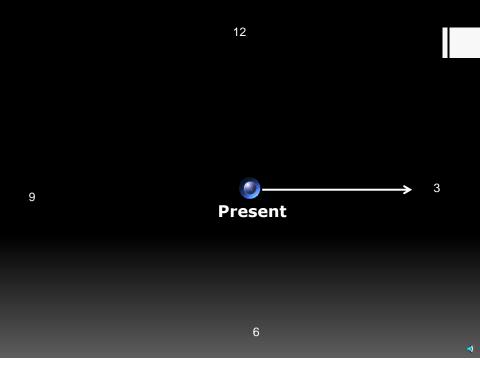


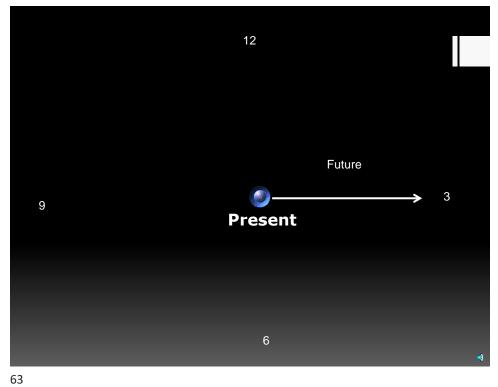




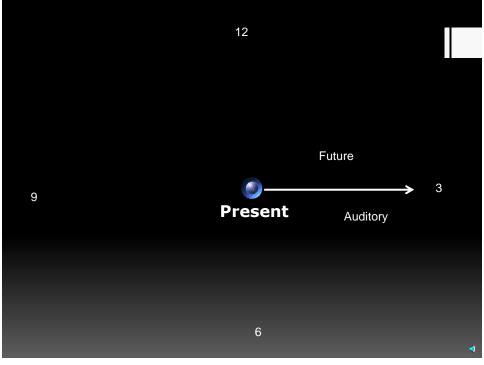


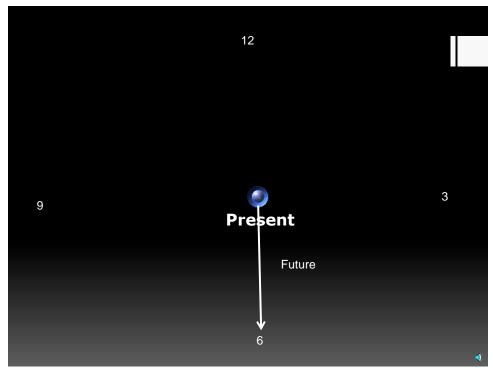


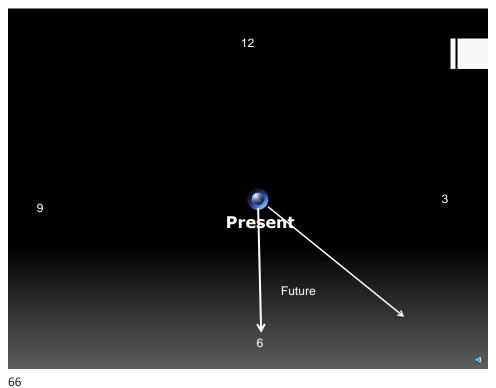


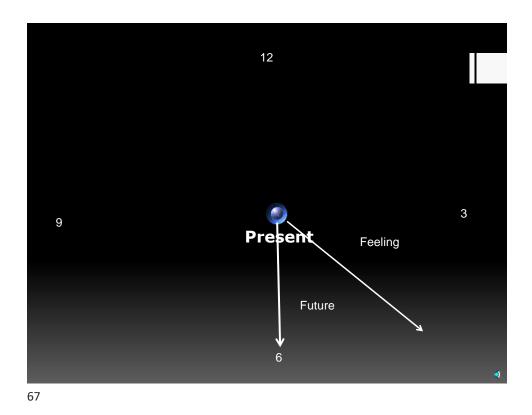


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Predicates for the Representational Systems

### Seeing

- Appear
- Clear
- Cockeyed
- Colors
- Focus
- Glance
- Look
- ■Neat

**■**Scan

Scope

Tint

■Vague

Watch

Blind to

Seeing Red

Green with Envy

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-Audible

Babble

Buzz

Discord

Echo

Grumble

Harmony

Prattle

•Quiet

Silence

Shriek

Squawk

Stammer

Give a Hoot

## Feeling

- Bounce
- Feel
- Grasp
- Handle
- Kiss
- Lukewarm
- Press

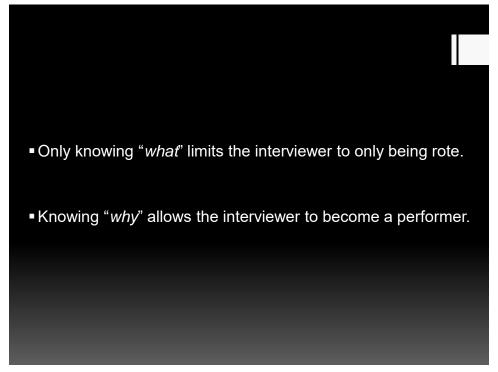
- Poke
- Tender
- Touch
- Beside yourself
- Breakdown
- ■Iron Out
- Raising Hell

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#### Sensory Linguistic Matching for Rapport:

- I see what you are trying to show me.
- I hear exactly what you are saying.
- I have a grasp for how rough it must have been.

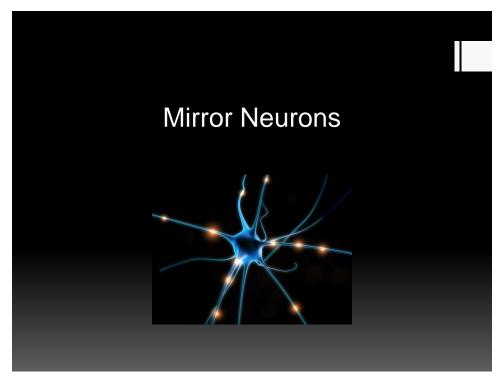


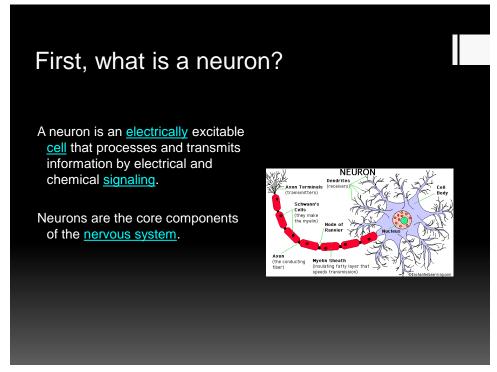


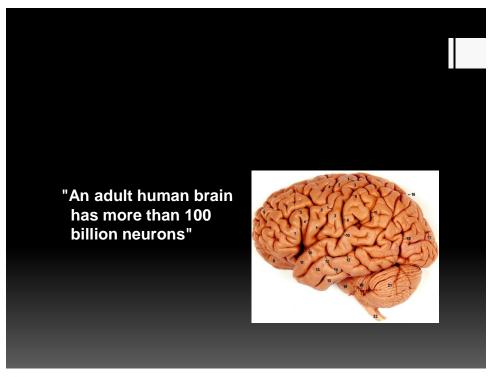
The answer is found in the second portion of what the young man had to say:

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'When I wish to find out how wise, or how stupid, or how good, or how wicked is any one, or what are his thoughts at the moment, I fashion the expression of my face, as accurately as possible, in accordance with the expression of his, and then wait to see what thoughts or sentiments arise in my mind or heart, as if to match or correspond with the expression.'



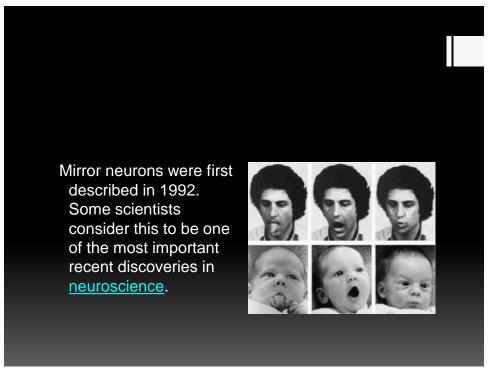


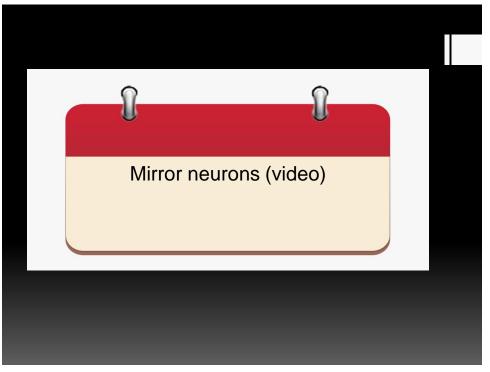


#### Mirror neurons:

A mirror neuron is a neuron that fires both when an animal acts and when the animal sees or hears the same action performed by another.

Thus, the neuron "mirrors" the behavior of the other, as though the observer or listener were itself acting.







- These mirror neurons are important for understanding the actions of other people.
- Mirror systems simulate observed actions, and thus contribute to theory of mind skills.

#### Theory of mind (T<sub>0</sub>M)

Having a theory of mind allows one (interviewer) to attribute thoughts, desires, and intentions to others, to predict or explain their actions, and to posit their intentions.

It enables one (interviewer) to understand that mental states can be the cause of—and thus be used to explain and predict—others' behavior.

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#### Alterity:

- A term meaning "otherness", strictly being in the sense of the other. (Latin alter).
- It implies the ability to distinguish between <u>self</u> and not-self, and consequently to assume the existence of an alternative viewpoint.



