

Occupational Fraud?

This is a crime that affects, or has the potential to affect, every business.

Occupational Fraud is defined as: “The use of one’s occupation for personal enrichment through the deliberate misuse or misapplication of the employer’s resources or assets.”

Occupational frauds fall into one of three major categories:

- 1) **Asset Misappropriation**- Any scheme that involves the theft or misuse of an organization’s assets. (Fraudulent invoicing, Payroll fraud, Skimming revenues.)
- 2) **Corruption** - Any scheme in which a person uses his or her influence in a business transaction to obtain an unauthorized benefit contrary to that person’s duty to the employer. (Accepting or paying a bribe, Engaging in a business transaction where there is an undisclosed conflict of interest.
- 3) **Fraudulent statements**- Falsification of an organization’s financial statements to make it appear more or less profitable. (Booking fictitious sales, Recording expenses in the wrong period)
(<http://antifraud.aicpa.org>)

A 2007 Oversight Systems study discovered that the primary reasons why frauds occur are:



- 1) pressures to do whatever it takes to meet goals (81 percent of respondents)
- 2) seek personal gain (72 percent),
- 3) 40 percent indicated that they do not consider their actions fraudulent also was a reason for wrongful behavior.

Per the 2007 Oversight Systems Report on Corporate Fraud (www.oversightsystems.com).

Fraud is any intentional act or omission designed to deceive others and resulting in the victim suffering a loss and/or the perpetrator achieving a gain. It is among the most deliberate of all offenses, with the employee or manager carefully weighing his or her chances of detection before engaging in improprieties. As a result, the best prevention efforts will concentrate on increasing an employee's perception of being caught. (www.acfe.com)

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Types of Fraud investigated by the FBI

- Misrepresentation of material facts
- Concealment of material facts.
- Bribery.
- Illegal gratuities.
- Conflicts of interest.
- Embezzlement.
- Theft of trade secrets.
- Wire fraud.
- Interstate transportation of stolen property.
- Racketeer Influenced and Corrupt Organizations (RICO)
- Telemarketing fraud.
- Computer fraud.
- Economic espionage
- Health care fraud..
- Money laundering.
- Mail fraud.
- Bankruptcy fraud.

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Thorough Investigative Research is essential in today's world.

CIR is your investigative source.
Call (919) 460-7799

Business Backgrounds

Due Diligence for Companies

"Any company that is dealing with a problem, a new product, a possible new investor, a merger or acquisition, or hiring a new key employee is a candidate for a business investigation."

Types of Investigations

- 1) Investigative Due Diligence-Mergers and Acquisitions, Business Asset Searches
- 2) Competitive Intelligence-Bringing a new product to market
- 3) Background Research-includes employment screening
- 4) Internet Investigations, Scan the web for newrooms, chat boards, RSS feeds, and personal websites for relative content

Address Traces

CIR offers Address Traces to verify where the applicant has lived and other names used, such as maiden names or name changes.

In the coming weeks, Clients will be able to populate the address fields of the background request. When entering the applicant's information, you will only need to provide the name, DOB, and ssn. Click address trace and the addresses are displayed. You can add the names/addresses to your request. This service must be added to your package.

Employees & Pre-Employment Screening

"Employees are the heart and soul of a business; they are the mechanism that makes a business run; they are the breath of life that enables a business to be something more than an idea. A business cannot run unless employees are doing the work. Hiring good employees is not only important to business, it's essential."

Conducting a thorough background check is one way to obtain the information necessary to make the right hiring decisions."

BLR's 5 Steps to Legal Backgrounds Checks that Really Work, (White paper) www.hrdailyadvisor.com

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The root cause of fraud is an individual's need for money, either real or perceived (greed). Many people live one paycheck away from disaster.

- False claims and statements.
- Foreign Corrupt Practices Act.
- Financial institution fraud.
- Identity theft.
- Conspiracy.

NC Constant Monitoring

You have checked the background of your employees.

How do you know if they are arrested again in North Carolina while employed?

CIR has a state of the art system to continuously monitor selected employees for any new NC criminal offenses.

CIR's Constant Monitoring System allows the employer to monitor employees for any new offenses. The system allows you select the applicant/employee to monitor. The employer enters the applicants name and personal information as needed for the criminal check. After the criminal background check is returned and you have decided to hire the individual you can go back into the system and put a click on the NC CONSTANT MONITORING© and CIR begins the monitoring.

You can choose to monitor any employee, it does not have to be an employee that CIR has done the criminal background. Our system will search continuously for any new offenses in which the applicant/employee is charged. You will receive a notification on any new cases and then again when there has been a judicial decision.

Question: The background on the applicant I want to hire has a bankruptcy, according to the credit report. The position is in accounting. Should I hire this person?

Answer: The policy underlying bankruptcy laws is to provide individuals who are unable to pay their debts with a fresh start. One important component of the fresh start is protecting an individual's ability to earn a living in the future. In keeping with this fresh start policy, the antidiscrimination provision of the bankruptcy code prohibits employers from terminating the employment of, or discriminating with respect to employment against, an individual solely because:

- (1) He or she has filed for bankruptcy protection;
- (2) Was insolvent before filing for bankruptcy; Or
- (3) has not paid a debt that was dischargeable in bankruptcy (11 U.S.C.S. § 525 (b)).

IMMIGRATION AND THE WORKPLACE

USCIS Reminds Employers to Transition to New Employment Eligibility Verification Form by Dec. 26, 2007

U.S. Citizenship and Immigration Services (USCIS) will announce in a *Federal Register* notice Nov. 26, 2007 that employers must transition to the revised Employment Eligibility Verification Form (I-9) not later than Dec. 26, 2007. All employers are required to complete a Form I-9 for each employee hired in the United States. As of November 7, 2007, the Form I-9 with a revision date of June 5, 2007 is the only version of the form that is valid for use.

Both the revised form and the "Handbook for Employers, Instructions for Completing the Form I-9" are available online at www.uscis.gov. To order forms, call USCIS toll-free at (800) 870-3676. For forms and information on immigration laws, regulations, and procedures, call the National Customer Service Center at 1-800-375-5283.

The Department of Homeland Security's (DHS) U.S. Citizenship and Immigration Services Bureau (USCIS) and the Social Security Administration (SSA) are jointly conducting E-Verify, formerly known as the Basic Pilot. E-Verify involves verification checks of the SSA and DHS databases, using an automated system to verify the employment authorization of all newly hired employees.

Access methods for E-Verify. Here are the most common:

Employer -The Employer access method is a web-based program that provides a company with a way to electronically verify the employment authorization of **all** newly hired employees, regardless of citizenship.

Designated Agent -The Designated Agent access method is available to companies (Designated Agents-such as CIR) to verify the employment authorization of all newly hired employees **on behalf of other companies** (Client Companies). Let us help you with your I-9 validation.



Why Should I search the Federal Courts?

Below are some of the crimes investigated by the FBI

White-Collar Crime

- Antitrust
- Bankruptcy Fraud
- Corporate/Securities Fraud
- Health Care Fraud
- Identity Theft
- Insurance Fraud
- Money Laundering
- Mortgage Fraud
- Telemarketing Fraud

Cyber Crime

- Computer Intrusions
- Online Predators
- Piracy/Intellectual / Property Theft
- Internet Fraud

Major Thefts/Violent Crime

- Art Theft
- Bank Robberies
- Cargo Theft
- Crimes Against Children
- Cruise Ship Crime
- Indian Country Crime
- Jewelry and Gems Theft
- Murder for Hire
- Retail Theft
- Vehicle Theft
- Violent Gangs

<http://www.fbi.gov/hq.htm>

COMMON CRIMINAL DISPOSITIONS

- 1) Nolle Pros-Latin-No prosecution
- 2) Nolo Contendere (No Contest) Latin, meaning "I will not contest." Similar to pleading Guilty
- 3) No Indictment-No written accusation to bring the defendant to trial, determined by a Grand Jury
- 4) Dead Docket-No Action Taken by the State
- 5) Remanded-To send back to originating court for the purpose of having further action taken on it.
- 6) Waived-Fine paid to court clerk instead of standing before the court hearing
- 7) Guilty-Having committed a crime; Admitting to the crime, confessing or by a jury conviction
- 8) Dismiss with Leave-Defendant failed to appear, District Attorney closes case until defendant appears.

SPOTLIGHT ON CRIME

Larceny-theft is the unlawful taking or attempted taking of property from the possession of another, by stealth, without force, with intent to permanently deprive the owner of the property. It includes such crimes as shoplifting, pocket picking, purse snatching, and bike stealing. Larceny-theft makes up over 50 percent of the crime committed annually in the United States, making it the largest crime category.

Aggravated assault involves the unlawful, intentional inflicting, or attempted or threatened inflicting, of injury upon another person. In an aggravated assault, the perpetrator either uses a weapon or hurts the victim so badly that the victim requires medical assistance.

Carolina Investigative Research Inc.
106 D Fountain Brook Circle
Cary, NC 27511

ADDRESS CORRECTION REQUESTED

The Latest BACKGROUND SCREENING NEWS
from Carolina Investigative Research Inc.
IS INSIDE FOR YOU!

CIR offers the following services:

- **County Criminal Courts**
- **State Police Checks**
- **Driving History**
- **Civil Records**
- **National Criminal Search**
- **Federal Courts**
- **Employment Check**
- **Education Verification**
- **Credit**
- **Sex Offender Search**
- **Address Trace**
- **Drug Testing**
- **Terrorist Search**
- **Medicare Fraud**
- **Reference Check**
- **International Search**