

Ethics, Internal Controls & Fraud

South Dakota Department of Legislative Audit
May 4, 2026

John J. Hall, CPA
John@JohnHallSpeaker.com
(312) 560-9931
www.JohnHallSpeaker.com

Why Are We Here Today?



Heads or Tails?

Business Ethics & Business Fraud

**Same coin.
Different sides.**

AGENDA

1. **Let's Set the Anchor**
2. **Ethics and/or Fraud**
3. **Ethics Framework**
4. **Contrarian Brainstorming**
5. **Fraud Risk Management Framework**
6. **Why Controls Fail – And What to Do About it**
7. **Detection**
8. **We have the answers**

Heads or Tails?

**Coin Toss
Moment**

More Important Question

Who should have caught these 'events'?

“

- NYU official
- MTA / LIRR overtime
- Austin library toner theft and resale
- Chicken wings that flew the coop...

A Bigger Question

How many knew??

- ❖ ***Managers***
- ❖ ***Employees***
- ❖ ***Auditors***

And if they didn't know, why not?

Ethics Cases Challenge

War Stories

versus

Action Lessons

AGENDA

1. Let's Set the Anchor
2. Ethics and/or Fraud
3. Ethics Framework
4. Contrarian Brainstorming
5. Fraud Risk Management Framework
6. Why Controls Fail – And What to Do About it
7. Detection
8. We have the answers

Heads or Tails?

Business Ethics & Business Fraud

**Same coin.
Different sides.**

What do you think?

**Is every fraud
an ethics violation?**

What do you think?

**Is every ethics
violation a fraud?**

My Apologies...

**This is going
to sound
'preachy'...**

***Because
it is...***

My Apologies...Again...and Again...

**I'm preaching
to those who
already
believe**

THE BIG QUESTION

What's
our role?

Our Job???

**Preaching
to those who
don't know,
don't believe,
or don't care**



Context

Perspective

Point of View

Dr. Wesley Donahue

***Ethics
guide behavior in
everything we do.***

In Theory...

***Good Ethics
is
Good Business...***

In Theory...

***Bad Ethics
is***

Bad Business...Maybe...



***Why do intelligent
business & government
leaders stare right into
the face of ethics –
and then do
the wrong thing anyway?***

What's Tilting the Table?

Period of

Immense Disorder

Daily 'now what' moments?

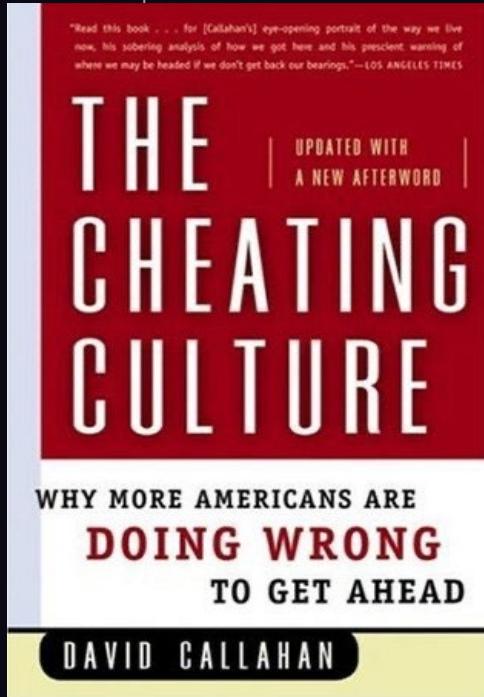
Outrage vs. Action

“Period of Immense Disorder”

- 1. Increased rationalization...for any action taken...by anyone**
- 2. Acceptance of lying...by just about everyone (except you!)**
- 3. Declining / nonexistent accountability**
- 4. Weakened / eliminated guardrails**
- 5. Misuse / theft of confidential & proprietary data**
- 6. Misuse of Artificial Intelligence tools**
- 7. Widespread corruption and shadow deals**
- 8. General decline of trust**
- 9. Separation**
- 10. Growing anxiety and fear**

“The Cheating Culture”

David Callahan



Trickle-Down Corruption

The destruction of
“we’re all in it together”

Trickle-Down Corruption

The principle of equal opportunity is subverted when those who play by the rules are beaten out by cheaters – as happens every day in academics, sports, business and other arenas.

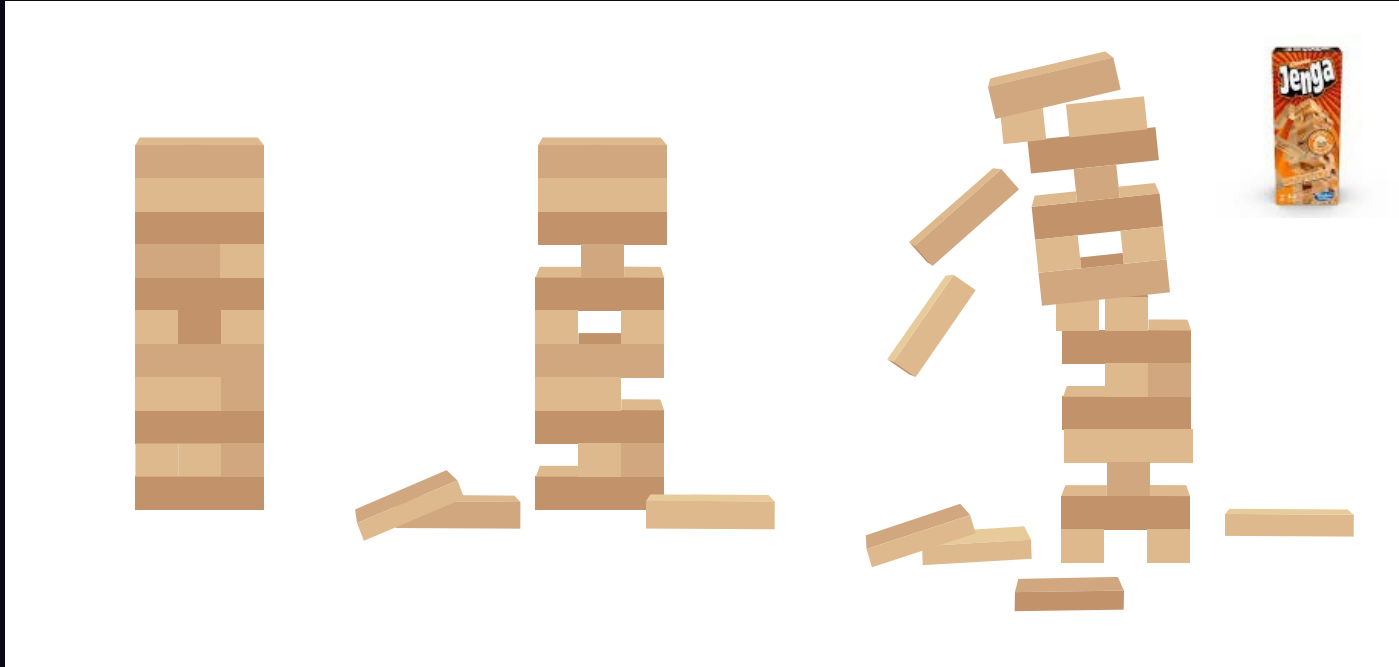
“Period of Immense Disorder”

- 1. Increased rationalization...for any action taken...by anyone**
- 2. Acceptance of lying...by just about everyone (except you!)**
- 3. Declining / nonexistent accountability**
- 4. Weakened / eliminated guardrails**
- 5. Misuse / theft of confidential & proprietary data**
- 6. Misuse of Artificial Intelligence tools**
- 7. Widespread corruption and shadow deals**
- 8. General decline of trust**
- 9. Separation**
- 10. Growing anxiety and fear**

Hey, Let's Jump Off the Cliff



Jenga 'Normalcy Challenge'



Single Biggest Concern

CREEPING NORMALCY

*What was previously unacceptable
becomes the new normal*

“Period of Immense Disorder”

1. Increased rationalization...for any action taken...by anyone
2. Acceptance of lying...by just about everyone (except you!)
3. Declining / nonexistent accountability
4. Weakened / eliminated guardrails
5. Misuse / theft of confidential / proprietary data
6. Misuse of Artificial Intelligence tools
7. Widespread corruption and shadow deals
8. General loss of trust
9. Separation of church and state
10. Growing anxiety and fear

Creeping Normalcy

ethics
{for the real world}

Ronald A. Howard
Clinton D. Korver

Food for Thought

Why should I if no one else is?

**Us Together vs.
Everyone on Their Own**

“Common Good Erosion”

Food for Thought

***Does age
impact our beliefs
about ethics?***

Food for Thought

***Does distance
impact our beliefs
about ethics?***

Food for Thought

“Almost Ethical”

“Pretty Much Ethical”

Food for Thought

Theoretical Ethics

VS.

Applied Ethics

Food for Thought

Ethics

Residual Risk

If yes...

Food for Thought

Career Risk

Food for Thought

Complicit Harm

***That's all very interesting
(or not)***

But what can we do about it???

THE BIG QUESTION

What's
our role?

Our Job???

**Preaching
to those who
don't know,
don't believe,
or don't care**

AGENDA

1. Let's Set the Anchor
2. Ethics and/or Fraud
3. Ethics Framework
4. Contrarian Brainstorming
5. Fraud Risk Management Framework
6. Why Controls Fail – And What to Do About it
7. Detection
8. We have the answers

***Just in case,
let's break it down***

The Four-Legged Stool

***“The structure
beneath
the surface
they see...”***

Business Ethics Framework

ETHICS

**A philosophical discipline that
describes and directs moral conduct**

Ethics Codes

Personal

Individual's basic notion of right and wrong

Organizational

Consciously defined by organizations to promote consistent integrity in the members

What About Ethics Policies?

***Do they work?
Do they Matter?***

Business Ethics Framework

INTENTIONS

ETHICS

A philosophical discipline that describes and directs moral conduct

ACTIONS

INTEGRITY

Consistent and uncompromising adherence to strong moral and ethical principles and values

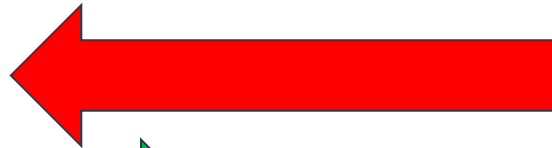
RATIONALIZATION

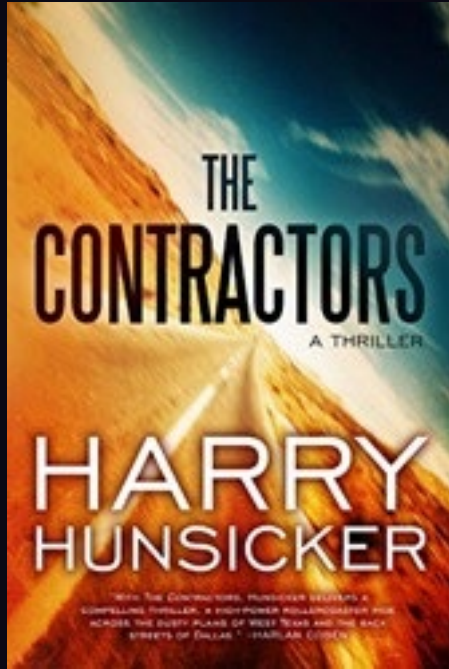
What's Acceptable?

Unethical
(Dishonest)

Ethical
(Honest)

*Well...
It Depends*





**Preachers and little
children see things as
black and white.**

**In the real world,
there is nothing but a
misty bell curve of gray.**

Business Ethics Framework

INTENTIONS

ETHICS

A philosophical discipline that describes and directs moral conduct

ACTIONS

INTEGRITY

Consistent and uncompromising adherence to strong moral and ethical principles and values

VERIFICATION

COMPLIANCE

A legal discipline that describes rules by which we determine whether or not actions are acceptable

Something is Missing

Business Ethics Framework

INTENTIONS

ETHICS

A philosophical discipline that describes and directs moral conduct

ACTIONS

INTEGRITY

Consistent and uncompromising adherence to strong moral and ethical principles and values

VERIFICATION

COMPLIANCE

A legal discipline that describes rules by which we determine whether or not actions are acceptable

ACCOUNTABILITY

#1 Question

**What Role
Does Fear of
Punishment Play?**

Six Business Ethics Filters

1. **What are the rules?**
2. **What are my beliefs about the rules?**
3. **What is my 'micro context'?**
4. **Will I get caught?**
5. **Will I get punished?**
6. **How severe is the punishment?**

Accountability Disconnect

Accountability?

*Case after Case
after Case...*





The Four-Legged Stool

***“The structure
beneath
the surface
they see...”***

Question?

***What happens
if a leg is
broken or missing?
What if two legs are
broken or missing?***

Question?

*What happens
if all the legs are
broken or missing?*

THE BIG QUESTION

What's
our role?

AGENDA

1. Let's Set the Anchor
2. Ethics and/or Fraud
3. Ethics Framework
4. Contrarian Brainstorming
5. Fraud Risk Management Framework
6. Why Controls Fail – And What to Do About it
7. Detection
8. We have the answers

Contrarian Brainstorming

HDIK?
How Do I Know?

Heads or Tails?

**Coin Toss
Moment**

Heads or Tails?

Business Ethics & Business Fraud

**Same coin.
Different sides.**

FRAUD



Example Fraud Coin Toss Moment

Mr. Davis

AGENDA

1. Let's Set the Anchor
2. Ethics and/or Fraud
3. Ethics Framework
4. Contrarian Brainstorming
5. Fraud Risk Management Framework
6. Why Controls Fail – And What to Do About it
7. Detection
8. We have the answers

Fraud Risk Areas

- 1) **Misappropriation**
- 2) **Manipulated Results**
 - a) **Financial**
 - b) **Non-financial Operating**
- 3) **Corruption**
 - a) **What kind?**
- 4) **Technology**

Interest Conflicts

Person or organization is involved in multiple interests where serving one interest could cause working against another interest. An interest is a commitment, obligation duty or goal usually in a fiduciary context.



Kickbacks

Agreement to return money to another party in exchange for making or arranging a business transaction



- **Rebates?**
- **Volume discounts?**
- **Transparency?**

“Use this credit card...”

A vertical white line on the left side of the slide, featuring a small teal circle near the top and a larger white circle below it.

“Speak at our conference...”

A vertical white line on the left side of the slide, featuring a small teal circle near the top and a larger white circle with a dark outline further down.

“Try it for the weekend...”

“Use our jet for your vacation...”

Shadow Deals

Undisclosed non-transparent relationship that has a real or apparent impact on what others perceive. Shadow deals create the risk that judgement or actions regarding a primary interest will be unduly influenced by a secondary interest.



Corruption & Shadow Deals

1. **Excessive Gifts / Entertainment**
2. **Bribery**
3. **Extortion**
4. **Collusion**
5. **Tailoring specifications or timing**
6. **Throw out qualified bids**
7. **Inappropriate sole source**

What About Pay-to-Play?

Relating to or denoting a situation in which payment is demanded, often illegally, from those wishing to take part in a particular business activity (especially in politics)

Fraud Risk Areas

- 1) Misappropriation
- 2) Manipulated Results
 - a) Financial
 - b) Non-financial Operating
- 3) Corruption
 - a) What kind?
- 4) **Technology**



Artificial Intelligence

Weapon of Deception

Fraud Risk Areas

- 1) **Misappropriation**
- 2) **Manipulated Results**
 - a) **Financial**
 - b) **Non-financial Operating**
- 3) **Corruption**
 - a) **What kind?**
- 4) **Technology**

Fraud Risk Management Framework

1. **Deterrence and Prevention**
2. **Early Detection**
3. **Effective Handling**

**ORGANIZATIONS MUST BE PREPARED
AT ALL THREE LEVELS**

6 Critical Actions

1. **Visible & Vocal Leadership – At Every Level**
2. **Policies on Fraud Responsibilities**
3. **Active Ongoing Fraud Risk Brainstorming**
4. **Anti-Fraud Controls**
5. **Anti-Fraud Daily Behaviors**
6. **Anti-Fraud How-To Employee Skills Training**

6 Critical Actions

1. **Visible & Vocal Leadership – At Every Level**
2. **Policies on Fraud Responsibilities**
3. **Active Ongoing Fraud Risk Brainstorming**
4. **Anti-Fraud Controls**
5. **Anti-Fraud Daily Behaviors**
6. **Anti-Fraud How-To Employee Skills Training**

Tone Disconnect Risk

Tone at the Top

Tone in the Middle

Tone at the Bottom

Tone: Top, Middle & Bottom

**Leaders At All
Levels Must
Talk About What
They Expect**

**Every employee
must be
recruited into
anti-fraud efforts**

Visible & Vocal Leadership

It's not their job to know what's expected of them.



Tell them how to think about fraud and the impact on their work.

Tell them how this work will benefit them.



1. Prevent what you can
2. Catch what slips through
3. Speak up about the **SOC!**

I expect every one of us will...

1. Know the fraud exposures and related red flags in our areas of responsibility. For example...
2. Know what it would look like if it happens here. For example...
3. Use best-faith efforts to minimize the chance of fraud on our watch. Examples include...
4. Make sure the transactions we personally approve are not fraudulent. Here's an example...
5. Personally monitor for those fraudulent transactions, events and behaviors that only we are in a position to detect. For example...

I expect every one of us will...

6. Question and challenge the unusual. Here's an example of what I mean...
7. Set an example of honest and ethical behavior by personal example and by not tolerating unethical behavior in others. Here's a good example and a bad example...
8. Strive to prevent fraud by minimizing the exposures and reducing the opportunities and temptation. For example...
9. Immediately refer anything that looks 'strange, odd or curious' to [your supervisor, internal audit, compliance, legal, human resources, security, the Hotline...] for follow-up and resolution. For example...

6 Critical Actions

1. **Visible & Vocal Leadership – At Every Level**
2. **Policies on Fraud Responsibilities**
3. **Active Ongoing Fraud Risk Brainstorming**
4. **Anti-Fraud Controls**
5. **Anti-Fraud Daily Behaviors**
6. **Anti-Fraud How-To Employee Skills Training**

Essential Policy Content

Every manager is responsible for:

1. **Knowing the exposures to wrongdoing and fraud in their areas**
2. **Doing their best to prevent or deter incidents**
3. **Promptly detecting suspicious transactions, relationships and events**
4. **Immediately referring suspicions to those responsible for follow-up**

Why People Don't Speak Up

1. It's none of my business
2. It's not my job!
3. There's no upside for me – only problems
4. I won't fit in anymore
5. Schoolyard mindset
6. Fear – real or imagined
7. They have never been asked to do so

Essential Policy Content

**Clear instructions
do not ensure
clear consistent actions**

But it's a good start

6 Critical Actions

1. **Visible & Vocal Leadership – At Every Level**
2. **Policies on Fraud Responsibilities**
3. **Active Ongoing Fraud Risk Brainstorming**
4. **Anti-Fraud Controls**
5. **Anti-Fraud Daily Behaviors**
6. **Anti-Fraud How-To Employee Skills Training**

THE CHALLENGE

Fraud Risk
Brainstorming
Think Like A Thief

(when we don't know how)

Ask and Answer

W.C.G.W.

What Could Go Wrong

W.W.I.L.L.

What Would It Look Like

Contrarian Brainstorming

HDIK?
How Do I Know?

THE SECRET SAUCE

...begin (plan)
with the
ASSUMPTION
that a fraud event
has already occurred

THE SECRET SECRET SAUCE

**Assume you
are are the one
committing the fraud**

BRAINSTORMING SIMPLIFIED

Ask and Answer

1. If I was _____ I could _____
2. How could I get caught?
3. What would stop me?

OUR ROLE

Independent

Objective

Skeptical

Instructive?



6 Critical Actions

1. **Visible & Vocal Leadership – At Every Level**
2. **Policies on Fraud Responsibilities**
3. **Active Ongoing Fraud Risk Brainstorming**
4. **Anti-Fraud Controls**
5. **Anti-Fraud Daily Behaviors**
6. **Anti-Fraud How-To Employee Skills Training**

Effective Internal Controls

- ✓ **Environment**
- ✓ **Behaviors**

BEHAVIORS

High

Low

High

ENVIRONMENT



Control Environment

1. **Management's goals & objectives**
2. **Management's intentions**
3. **Management's risk tolerance**
4. **Laws & regulations**
5. **Organization industry, history & culture**
6. **The Tone at the Top**
7. **The Tone in the Middle**
8. **The Tone at the Bottom**
9. **Control ownership, responsibility & accountability**

Control Environment

1. Management's goals & objectives
2. Management's intentions
3. Management's risk tolerance
4. Laws & regulations
5. Organization industry, history & culture
6. The Tone at the Top
7. The Tone in the Middle
8. The Tone at the Bottom
9. Control ownership, responsibility & accountability

Critical Control Concepts

Ownership

Responsibility

Accountability

BEHAVIORS

High

Low

High

ENVIRONMENT



Knowing What to Do and Exactly When & How to Do It



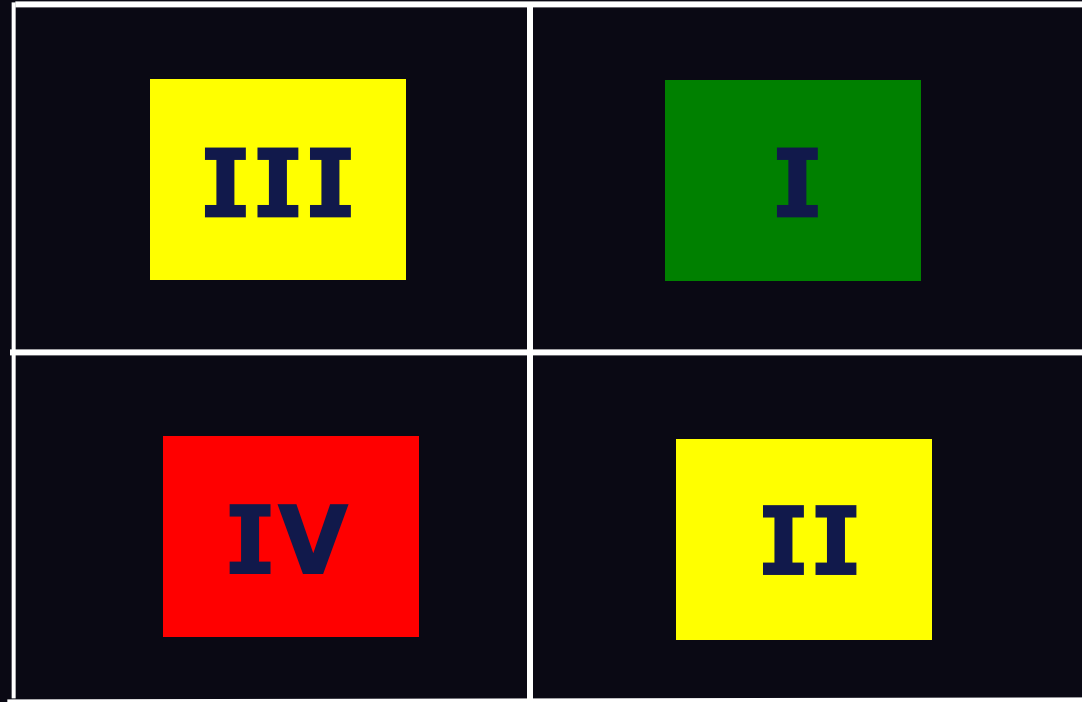
Then Actually Doing It

Control Behaviors

1. Knowledge / skills
2. Interest
 - Motivation
 - Critical thinking
 - Focus
 - Alertness
 - Mental clarity
3. Time
4. Supervisor support
5. Peer support

BEHAVIORS

High



Low

High

ENVIRONMENT

When Controls Fail...



...Is There a Pattern?

AGENDA

1. Let's Set the Anchor
2. Ethics and/or Fraud
3. Ethics Framework
4. Contrarian Brainstorming
5. Fraud Risk Management Framework
6. Why Controls Fail – And What to Do About it
7. Detection
8. We have the answers



Name the Real Constraint

*Root Cause
Analysis*

Root Cause Analysis



Why Did the Controls Fail?

BEHAVIORS

High



Low

High

1 to 3

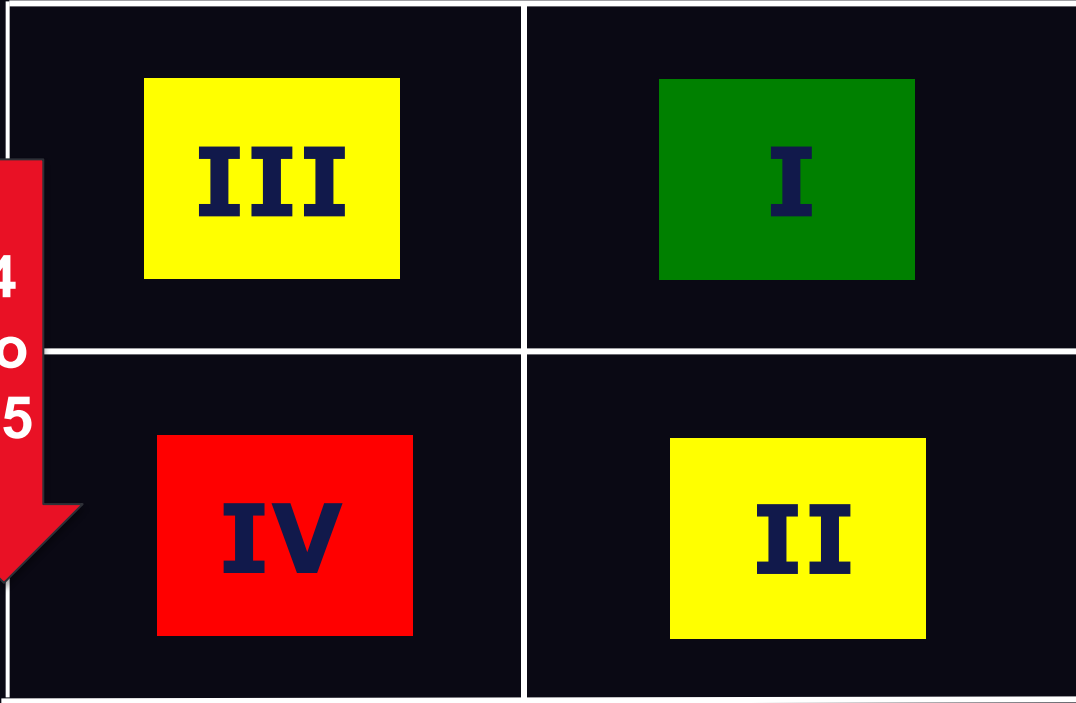
ENVIRONMENT

Why Controls Fail

1. _____ **Poor design**
2. _____ **Poor Implementation**
3. _____ **Poor Maintenance**

BEHAVIORS

High



Low

High

ENVIRONMENT

Why Controls Fail

1. _____ Poor design
2. _____ Poor Implementation
3. _____ Poor Maintenance
4. _____ **Insufficient Skills**
5. _____ **Blind Trust**
6. _____ **Willful Blindness**
7. _____ **Lack of Information**
8. _____ **Not Questioning SOC**

Why Controls Fail

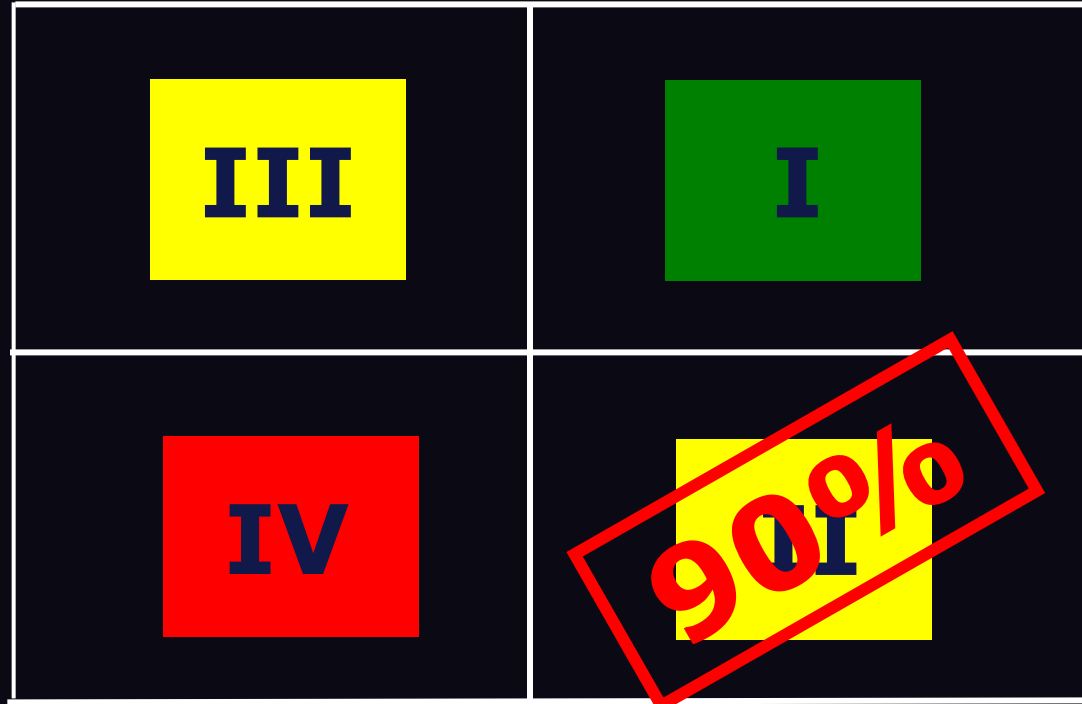
1. _____ **Poor design**
2. _____ **Poor Implementation**
3. _____ **Poor Maintenance**
4. _____ **Insufficient Skills**
5. _____ **Blind Trust**
6. _____ **Willful Blindness**
7. _____ **Lack of Information**
8. _____ **Not Questioning SOC**
9. _____ **Time Pressure**
10. _____ **Process Mindset**
11. _____ **Frustration**
12. _____ **Fatigue**
13. _____ **Giving Up**
14. _____ **Override**
15. _____ **Theft & Fraud**

Potentially Dumb Things

1. **Signing without knowing**
2. **Trusting without ever verifying**
3. **Not reviewing control reports**
4. **Expectations without skills**

BEHAVIORS

High

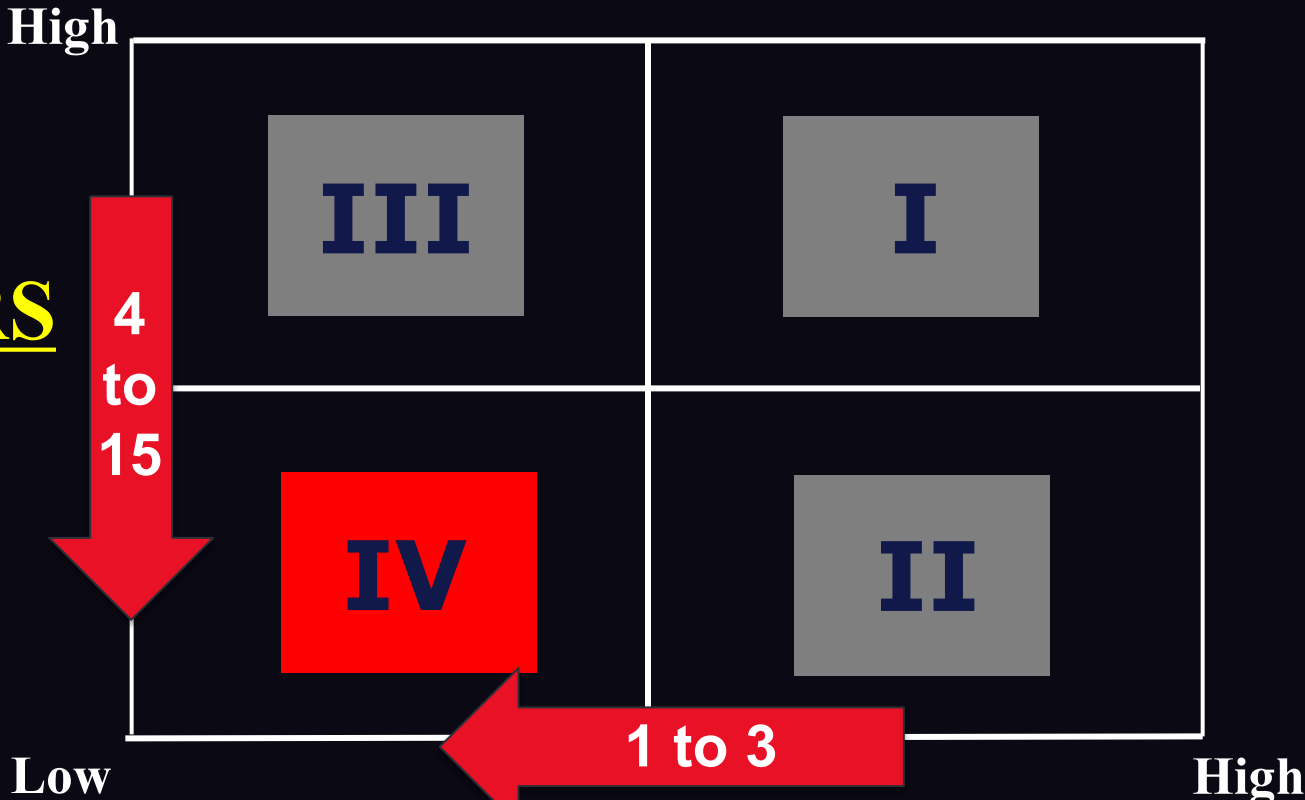


Low

High

ENVIRONMENT

BEHAVIORS



ENVIRONMENT

Easy to Look Back at Control Failures

REMIND EVERYONE

Procedures alone are not
'internal controls'

Effective daily execution of
procedures is essential

The Core Issue

**Managers, supervisors and
key control employees
want to be part of the solution –
*but often don't know how***

QUESTION

**Is fraud prevention
a core skill
for supervisors
and managers?**

Which of the four options below would make the most significant impact on helping your organization be more effective in fighting fraud, misconduct, and wrongdoing?

Implementing a Fraud Policy

1

Conducting an organization-wide Comprehensive Fraud Exposure Analysis, including the creation of a Fraud Risk Inventory

2

Providing awareness, prevention and early Detection Skills Training for managers and staff

3

Catching and Prosecuting Wrongdoers

4

6 Critical Actions

1. **Visible & Vocal Leadership – At Every Level**
2. **Policies on Fraud Responsibilities**
3. **Active Ongoing Fraud Risk Brainstorming**
4. **Anti-Fraud Controls**
5. **Anti-Fraud Daily Behaviors**
6. **Anti-Fraud How-To Employee Skills Training**

What Skills Are Needed

1. **General knowledge of fraud risks**
2. **What can happen in their areas**
3. **What it looks like in documents, reports and behaviors they see**
4. **Suggestions on prevention**
5. **Suggestions on prompt detection when prevention fails**
6. **What to do and avoid with suspicions**



**When you
see this,
do this...**

Believers & Doubters

W W Y D N


(What Would You Do Next?)

How Is This Training Delivered?

1. **Group live**
2. **Technology-based**
 - ✓ **Teleseminars**
 - ✓ **Webinars**
 - ✓ **Video**
3. **1 on 1 coaching by supervisors**
4. **1 on 1 coaching by fraud examiners & auditors**
5. **Written**
6. **Combination of 1 thru 5 above**

Article Ideas

Good Questions Before Approving:

- 
1. Invoices from suppliers
 2. Out of pocket cost reimbursement
 3. Purchasing card transactions
 4. Time sheets
 5. Invoices from contractors
 6. One time wire transfers
 7. Journal entries

OUR ROLE

Independent

Objective

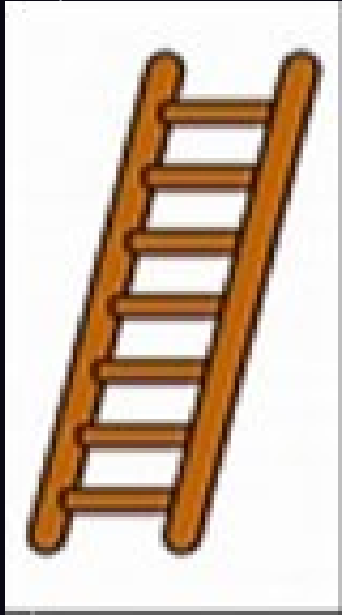
Skeptical

Instructive?

NSINOJ

Four Daily Behaviors

1. **Look for fraud indicators**
2. **Ask “How do I know?”**
3. **When in doubt, doubt**
4. **Resolve or refer suspicions**



LOOK

ASK

DOUBT

RESOLVE

OUR ROLE

**Don't Tell Others
What to Think**

OUR ROLE

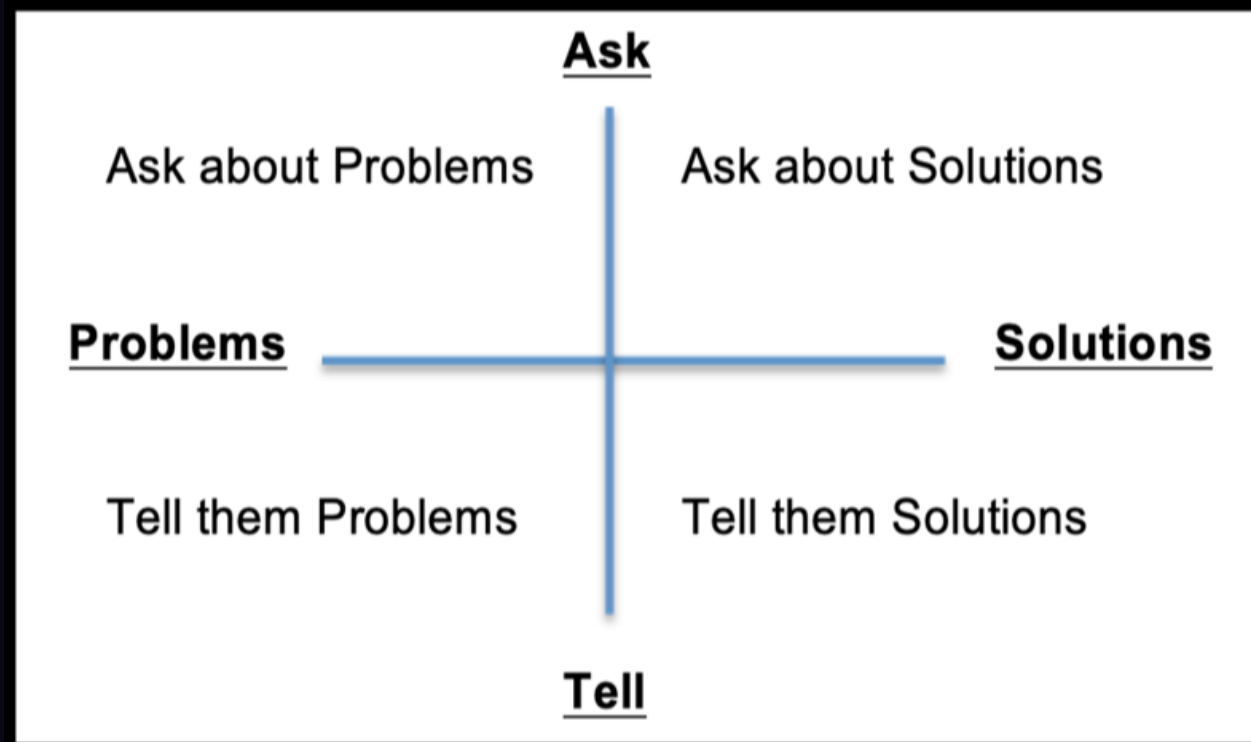
**ASK Others
What to Think
ABOUT**

Ask About Solutions

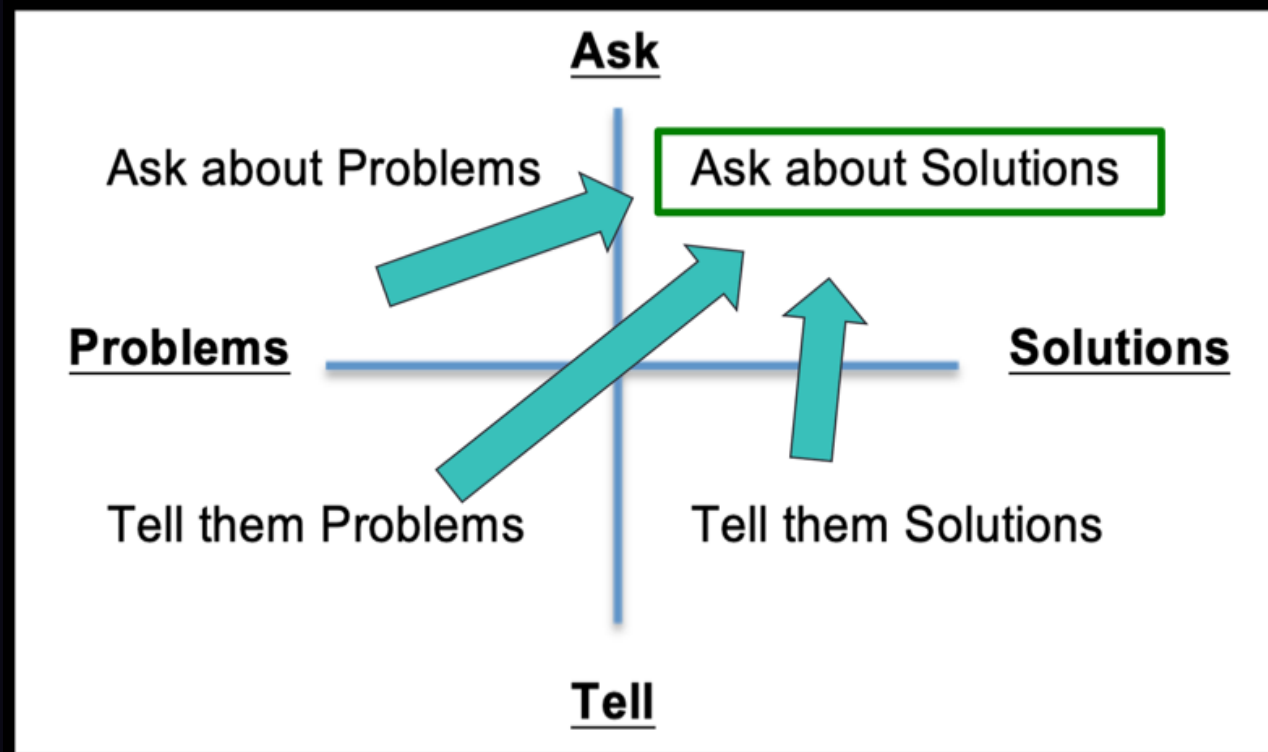
Today's #1 Lesson

**Auditors
Lead Through
Questions**

Ask About Solutions



Ask About Solutions



Pivot to Solutions

WRITING
TO
PERSUADE



TRISH
HALL

FORMER EDITOR OF THE
NEW YORK TIMES OP-ED PAGE

*"This is one of the most readable books on writing."
—Mick Fleetwood, author of *Shine On**

What if we...

6 Critical Actions

1. **Visible & Vocal Leadership – At Every Level**
2. **Policies on Fraud Responsibilities**
3. **Active Ongoing Fraud Risk Brainstorming**
4. **Anti-Fraud Controls**
5. **Anti-Fraud Daily Behaviors**
6. **Anti-Fraud How-To Employee Skills Training**

AGENDA

1. Let's Set the Anchor
2. Ethics and/or Fraud
3. Ethics Framework
4. Contrarian Brainstorming
5. Fraud Risk Management Framework
6. Why Controls Fail – And What to Do About it
7. Detection
8. We have the answers

**It's a Campaign,
Not an Event**

**CUMULATIVE
STACKING
EFFECT**

THE BIGGER QUESTION

What's
YOUR role?

Fraud Risk Management Framework

1. Deterrence and Prevention

2. **Early Detection**

3. Effective Handling

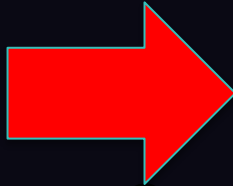
ORGANIZATIONS MUST BE PREPARED
AT ALL THREE LEVELS

How Fraud is Found

1. **Managers and staff**
2. **Internal audit, compliance, fraud specialists**
3. **External auditors**
4. **Other third parties**
5. **The thief (fraudster)**
6. **Luck or accident**



1. Prevent what you can



2. Catch what slips through

3. Speak up about the **SOC!**

How Fraud is Found

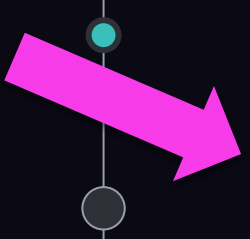
1. Managers and staff
2. Internal audit, compliance, fraud specialists
3. External auditors
4. Other third parties
5. The thief (fraudster)
6. Luck or accident



Four-Step Fraud Detection

1. ***“Hey Boss!”* Questions & Answers**
2. **Think like a thief**
 - a) Individual and group brainstorming
3. **Use discovery techniques aggressively**
 - a) Discovery or attribute testing
 - b) Data Analysis & monitoring
 - c) Detection-focused interviews
4. **Determine the cause of all indicators**
 - a) Root Cause Analysis

Four-Step Fraud Detection

- 
1. **“Hey Boss!” Questions & Answers**
 2. **Think like a thief**
 - a) Individual and group brainstorming
 3. **Use discovery techniques aggressively**
 - a) **Discovery or attribute testing**
 - b) **Data Analysis & monitoring**
 - c) **Detection-focused interviews**
 4. **Determine the cause of all indicators**
 - a) **Root Cause Analysis**

Hey Boss Planning Questions

1. **Are we supposed to look for fraud on this project?**
2. **What kind?**
3. **How hard should we look?**
 - ✓ **Judgmental Sample**
 - ✓ **Statistical Sample**
 - ✓ **Full Population Data Analytics**
 - ✓ **100% Verification**
 - ✓ **Inquiry**

Four-Step Fraud Detection

1. *“Hey Boss!”* Questions & Answers
2. **Think like a thief**
 - a) Individual and group brainstorming
3. Use discovery techniques aggressively
 - a) Discovery or attribute testing
 - b) Data Analysis & monitoring
 - c) Detection-focused interviews
4. **Determine the cause of all indicators**
 - a) Root Cause Analysis

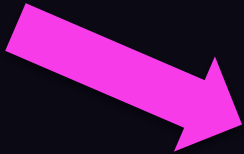
Four-Step Fraud Detection

1. *“Hey Boss!”* Questions & Answers
2. Think like a thief
 - a) Individual and group brainstorming
3. **Use discovery techniques aggressively**
 - a) Discovery or attribute testing
 - b) Data Analysis & monitoring
 - c) Detection-focused interviews
4. **Determine the cause of all indicators**
 - a) Root Cause Analysis



Four-Step Fraud Detection

1. *“Hey Boss!”* Questions & Answers
2. Think like a thief
 - a) Individual and group brainstorming
3. **Use discovery techniques aggressively**
 - a) Discovery or attribute testing
 - b) Data Analysis & monitoring
 - c) **Detection-focused interviews**
4. **Determine the cause of all indicators**
 - a) Root Cause Analysis



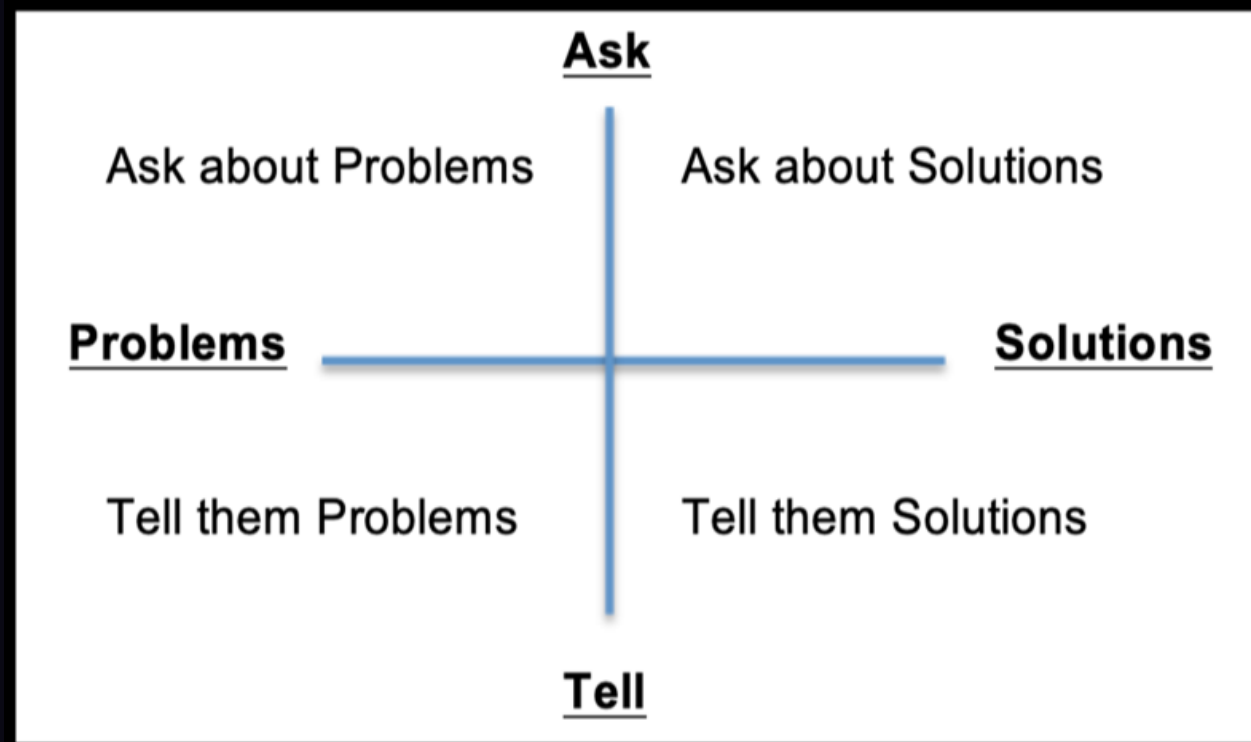
FRAUD LESSONS

**In virtually every
business fraud case,
someone knew or
strongly suspected
BUT STAYED SILENT**

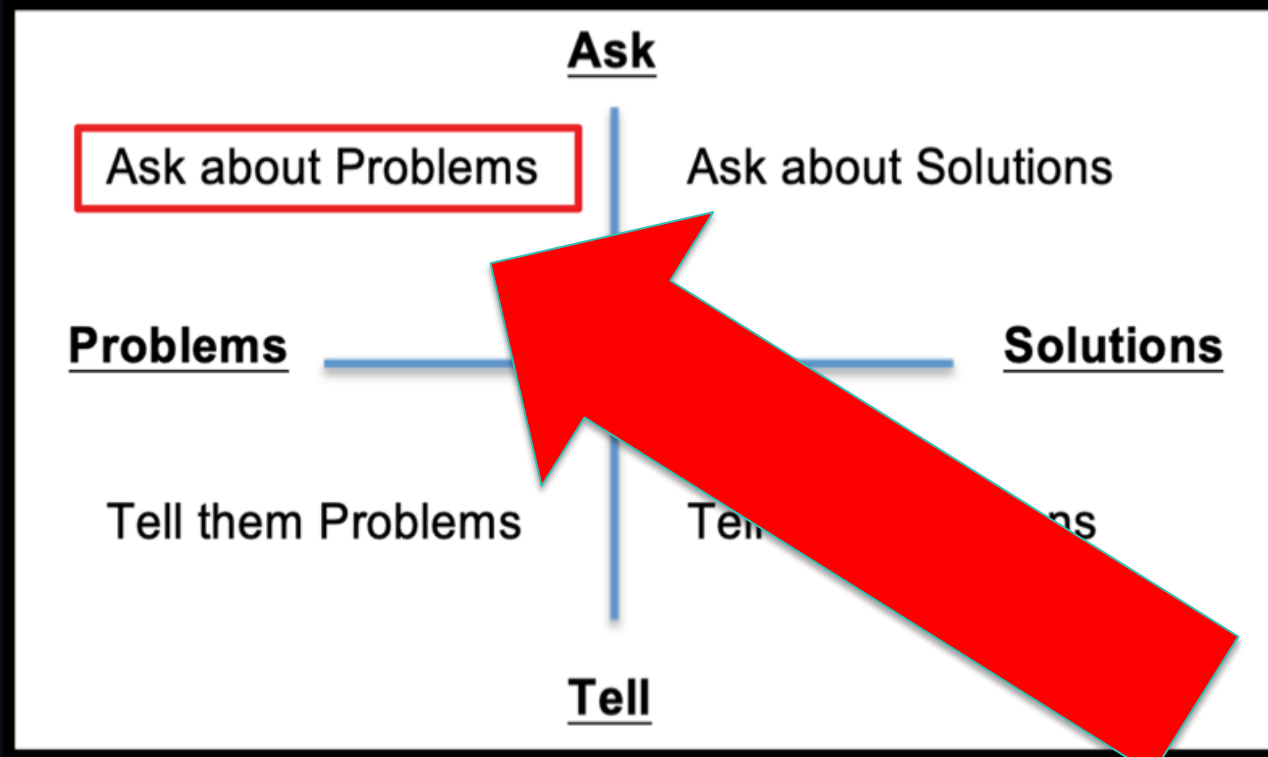


Detection- Focused Interviews

Audit Interviews



Ask About Problems



Interview or Interrogation

- Interview – non-accusatory, structured, dialog-based, question and answer, held for a specific purpose
- Interrogation – accusatory, held when there is sufficient evidence to accuse the suspect of fraud and seek a confession

Ask Honest People

Remove the Silence Option

Good Question

“Have you seen
anything that made
you uncomfortable”

Good Question

● “Have you been asked
to sign or approve anything
that you weren’t
confident was correct”

Good Question

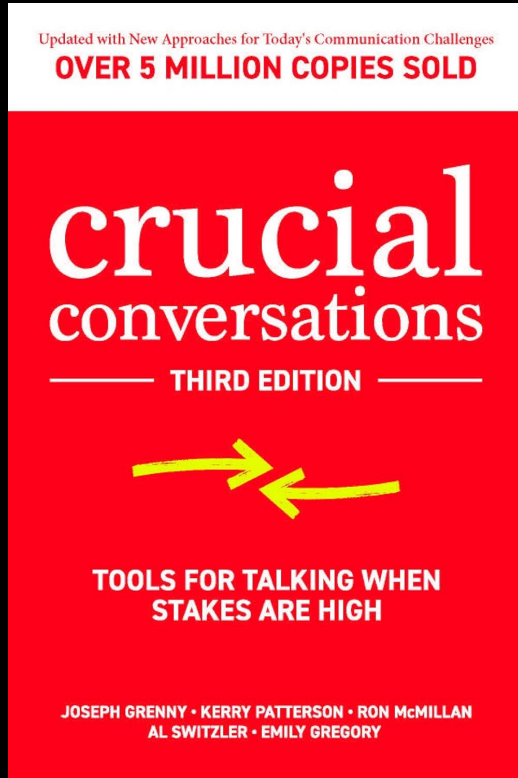
“Is anyone
breaking the rules”

Four Magic Words

“Tell me
what happened”

Powerful Follow-Up Question

“How could
we prove that?”

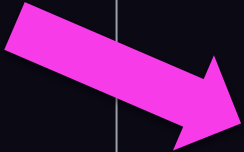


Crucial Conversations

Tools for Talking when the Stakes are High

Four-Step Fraud Detection

1. *“Hey Boss!”* Questions & Answers
2. Think like a thief
 - a) Individual and group brainstorming
3. Use discovery techniques aggressively
 - a) Discovery or attribute testing
 - b) Data Analysis & monitoring
 - c) Detection-focused interviews
4. **Determine the cause of all indicators**
 - a) Root Cause Analysis



Four-Step Fraud Detection

1. ***“Hey Boss!”* Questions & Answers**
2. **Think like a thief**
 - a) Individual and group brainstorming
3. **Use discovery techniques aggressively**
 - a) Discovery or attribute testing
 - b) Data Analysis & monitoring
 - c) Detection-focused interviews
4. **Determine the cause of all indicators**
 - a) Root Cause Analysis

AGENDA

1. Let's Set the Anchor
2. Ethics and/or Fraud
3. Ethics Framework
4. Contrarian Brainstorming
5. Fraud Risk Management Framework
6. Why Controls Fail – And What to Do About it
7. Detection
8. We have the answers

We Have the Answers

1. **Lean into tone disconnect or absence**
2. **Ask about suspicions and problems**
3. **Deploy constant skepticism**
4. **Constantly ask 'How Do I Know?'**
5. **Get up. Get Out. Go look. Go ask.**
6. **Drive the bus – when you can**
7. **Preach and Teach – ask 'What would you do next?'**
8. **Speak up / Speak truth**
9. **Take care of your self & others in your life**
10. **Keep the faith. Be 'authentic'. You are not alone!**

AGENDA

1. **Let's Set the Anchor**
2. **Ethics and/or Fraud**
3. **Ethics Framework**
4. **Contrarian Brainstorming**
5. **Fraud Risk Management Framework**
6. **Why Controls Fail – And What to Do About it**
7. **Detection**
8. **We have the answers**

THE BIGGER QUESTION

What's
YOUR role?

Ethics Manifesto

Together

– on our watch –

we will no longer tolerate

**Lies, Deception,
Wrongdoing, Misconduct,
or Outright Fraud**

**One Million
Baby Steps
in the right direction
is a
MOVEMENT**

Anything You Need

John@JohnHallSpeaker.com

www.JohnHallSpeaker.com

(312) 560-9931

THANKS!