

FDIC
Interagency Accounting
Conference

April 16-17, 1975



FBI White Collar Crime Program Post 9/11



- 1. Protect the United States from terrorist attack**
- 2. Protect the United States against foreign intelligence operations and espionage**
- 3. Protect the United States against cyber-based attacks and high-technology crimes**
- 4. Combat public corruption**
- 5. Protect civil rights**
- 6. Combat transnational and national criminal organizations and enterprises**
- 7. Combat major WCC**
- 8. Combat significant VC**
- 9. Support federal, state, municipal and international partners**
- 10. Upgrade technology to successfully perform the FBI's mission**

MOST IMPORTANT FRAUD TRENDS

Regulation
of Criminals
and Intrusive Nature of
Regulation of Industry

- DEPORTING CORPORATE
CIVILITY

Who Are These People??

According to Recent Polls:

- **49% have lied to save money**
- **36% would lie if it helped them get a job**
- **22% believe that lying or cheating does not hurt your character**
- **44% are not satisfied with the ethics and character of their peers**

"It is only possible to live happily ever after on a day-to-day basis"

Who Are These People??

Of Those Still Attending High School or College:

- ***31% have stolen from their parents or relatives during the previous year***
- ***25% have stolen from a friend during the past year***
- ***47% have stolen from a store during the past year***
- ***50 members of this group made up FBI New Agents class 05-09***

"The difference between genius and stupidity is genius has limits"

They Are...

- Generation X!!!
 - *27% of the U.S. Population*
 - *75% of Xers are in the Labor Force*
 - *Make Up 40% of the Nation's Workers*
 - *Almost all New Hires*

"Only the mediocre are always at their best"

FBI White Collar Crime Program Post 9/11



7. Combat major WCC
 1. Corporate Fraud
 2. Health Care Fraud
 3. Financial Institution Fraud

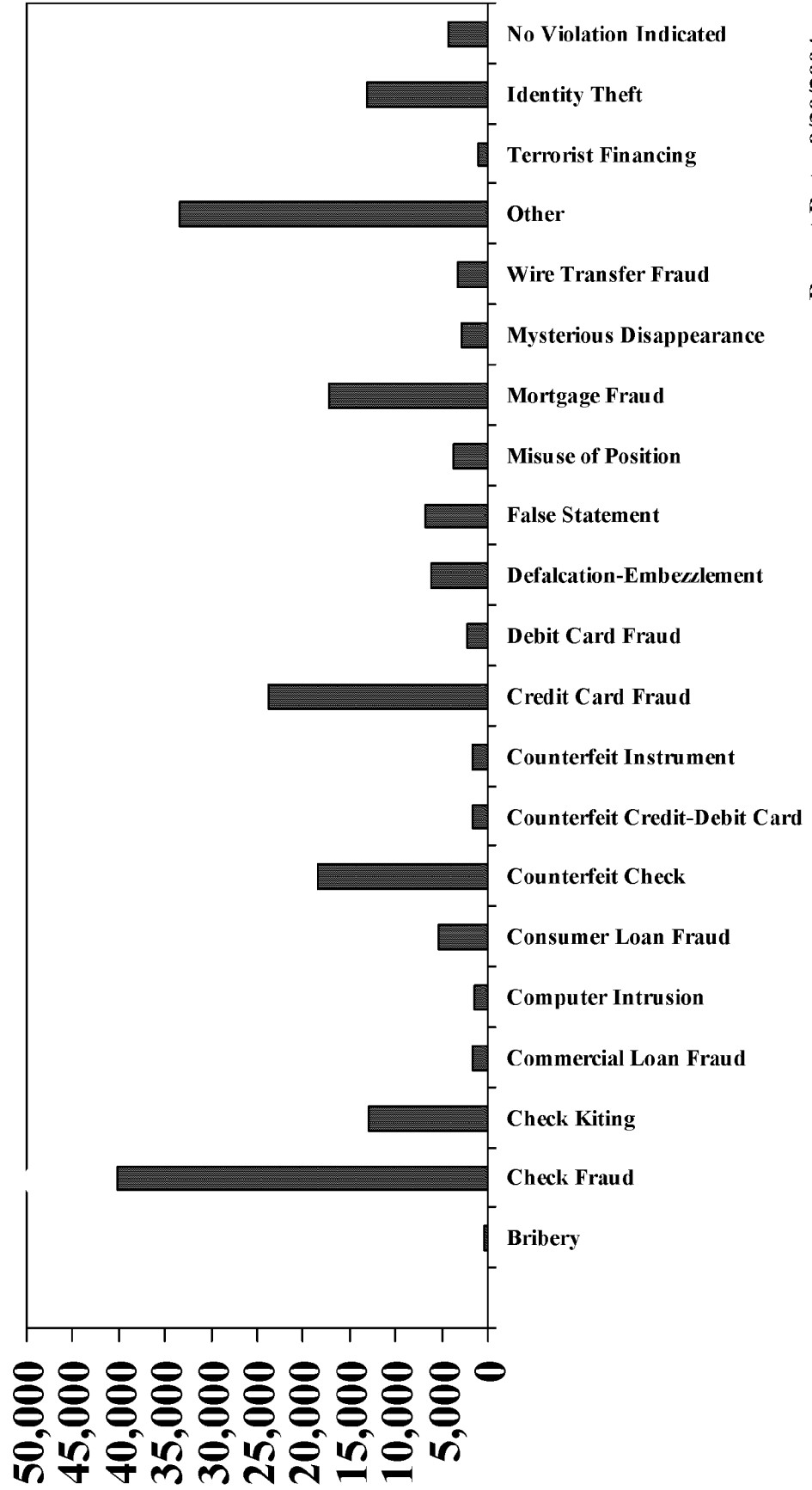


Suspicious Activity Reports

Number of SARs Reported

Nationwide

(10/1/2003 – 9/30/2004)



Report Date: 9/30/2004



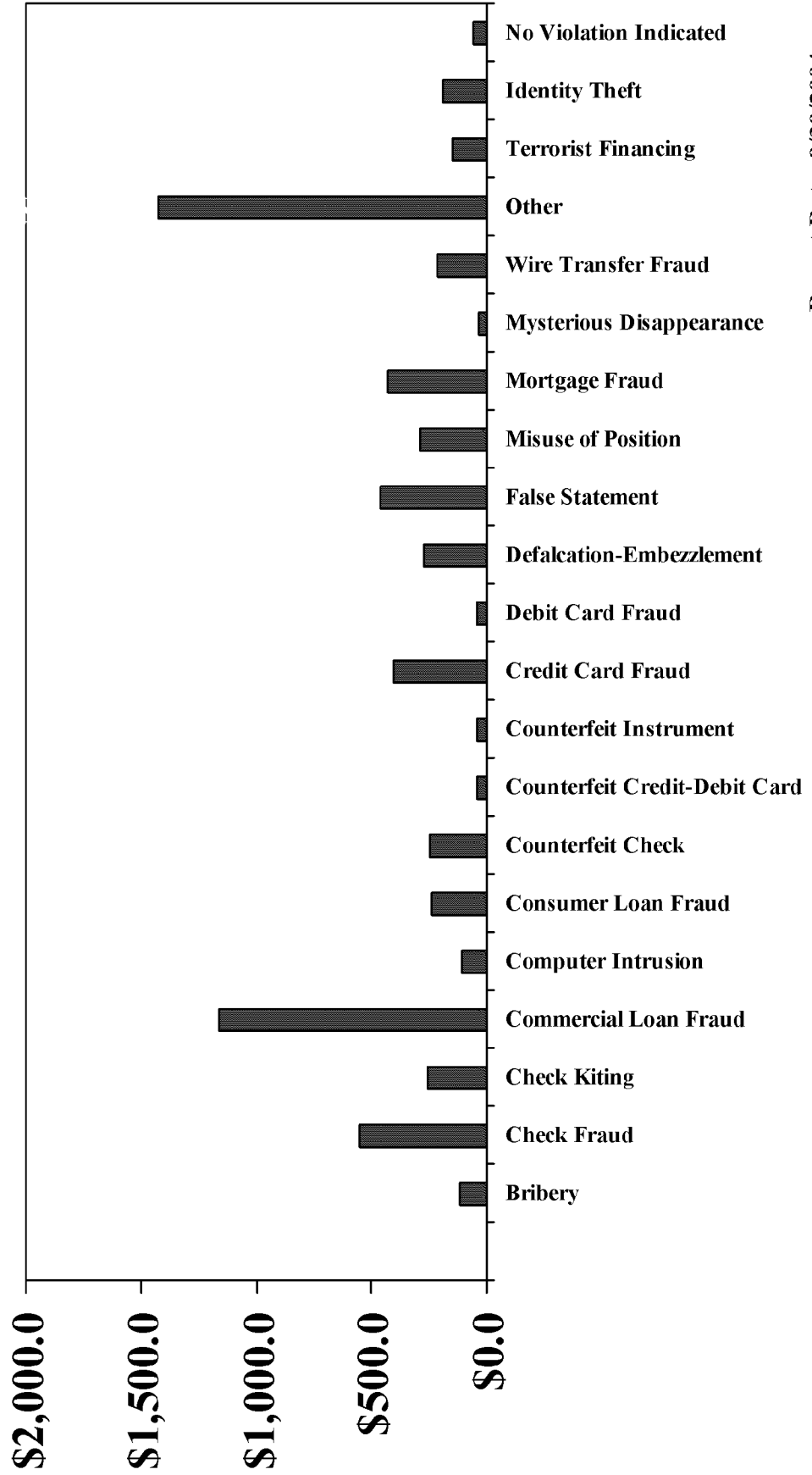
1. Check Fraud	40,182
2. Credit Card Fraud	23,871
3. Counterfeit Check	18,454
4. Mortgage Fraud	17,127
5. Identity Theft	13,209
6. Check Kiting	12,894
*Other	33,415



Suspicious Activity Reports Dollar Losses Reported Nationwide (10/1/2003 – 9/30/2004)



Losses of Non-Money Laundering SARs

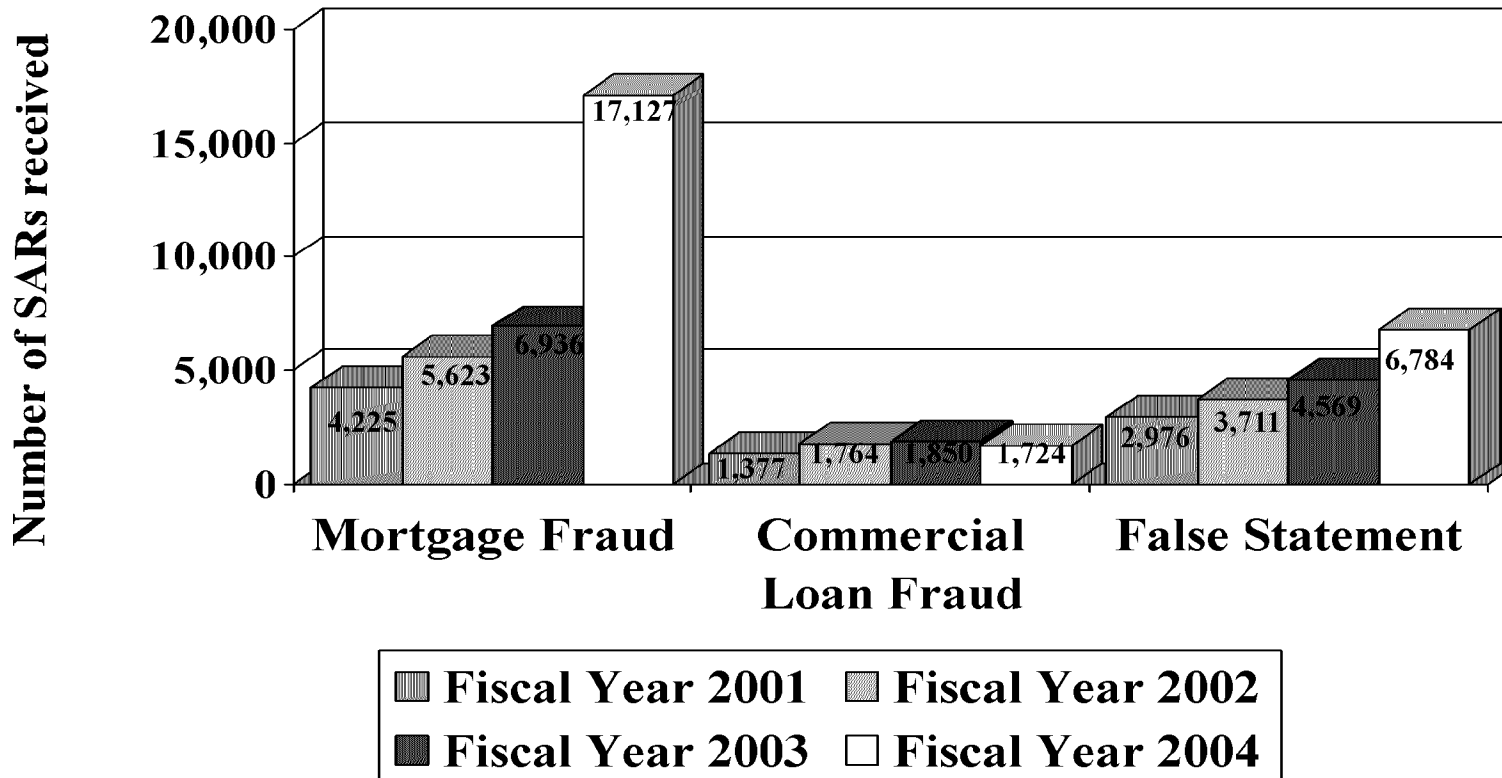


Report Date: 9/30/2004



1. Commercial Loan Fraud	\$1,163,200,000
2. Check Fraud	548,700,000
3. False Statements	458,500,000
4. Mortgage Fraud	429,300,000
5. Credit Card Fraud	399,800,000
6. Misuse of Position	291,700,000
* Other	\$1,427,400,000

Number of Violations of Mortgage Related Fraud SARS Fiscal Years 2001 – 2004 (10/1/00 – 9/30/04)

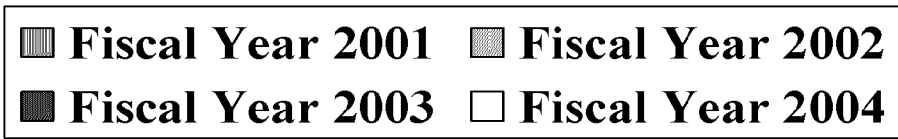
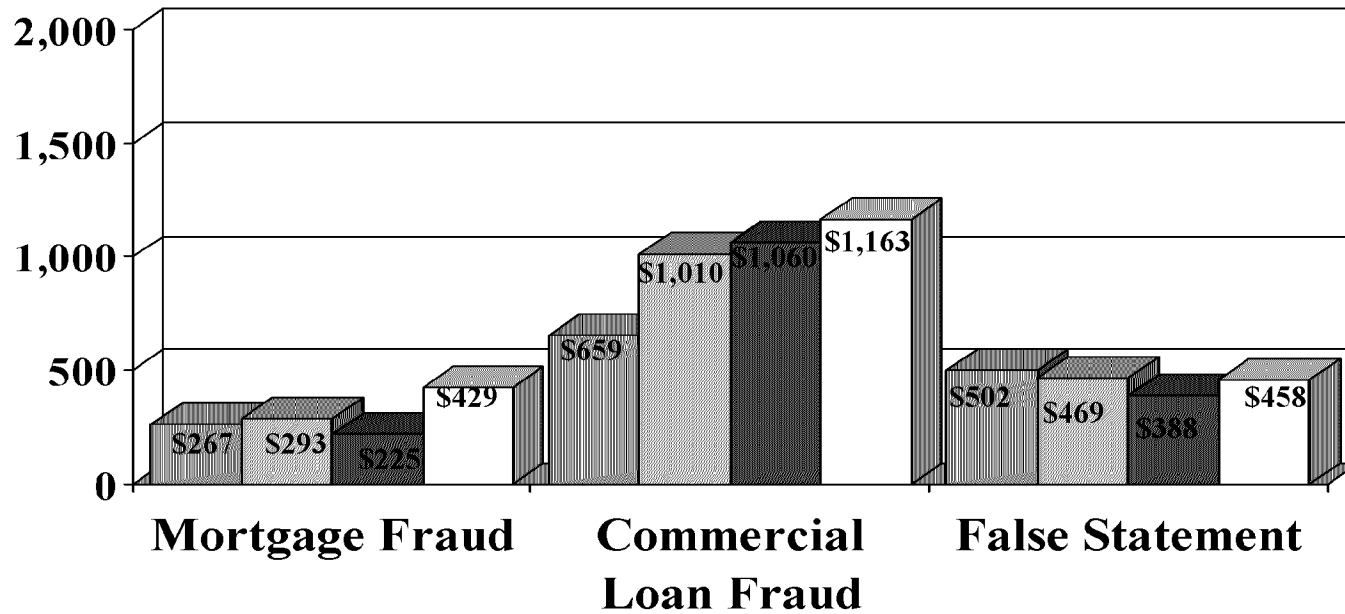


Report Date: 10/1/04

Dollar Losses Reported of Mortgage Related Fraud SARS Fiscal Years 2001 – 2004 (10/1/00 – 9/30/04)



Dollar Losses Reported in Millions



Report Date: 10/1/04





- Difficult to detect legitimate documents from fraudulent documents
 - Driver's licenses and ID cards have few security features and are not standardized
 - Vital Statistic documents are issued by 14,000 uncoordinated jurisdictions.



Birth Records:

Kentucky
Maine
Massachusetts
New Jersey
North Carolina
Ohio
South Dakota
Tennessee
Vermont
Washington
Wisconsin

Death Records:

Connecticut, Ohio
Florida, South Carolina
Georgia, South Dakota
Indiana, Tennessee
Kentucky, Vermont
Maine, Washington
Massachusetts, Wisconsin
Michigan
New Jersey
North Carolina



- 54 year Utah Credit Union Employee
- \$2.4 Million Embezzlement from Fictitious Loan Proceeds (Deceased Customers)
- Fraud Continued for 40 YEARS!!!
- Discovered During Routine Regulator Examination







*Accounting Like
Profits Revenue*

*Accounting Frauds are
aid by ~~...~~ inflating
revenues or decreasing expenses*



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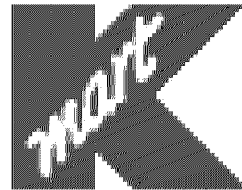
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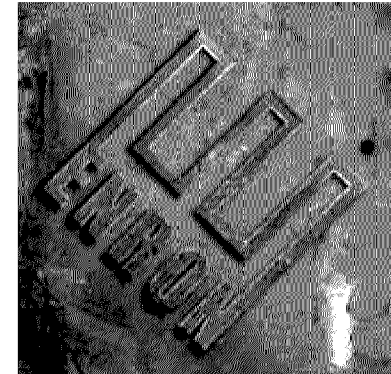
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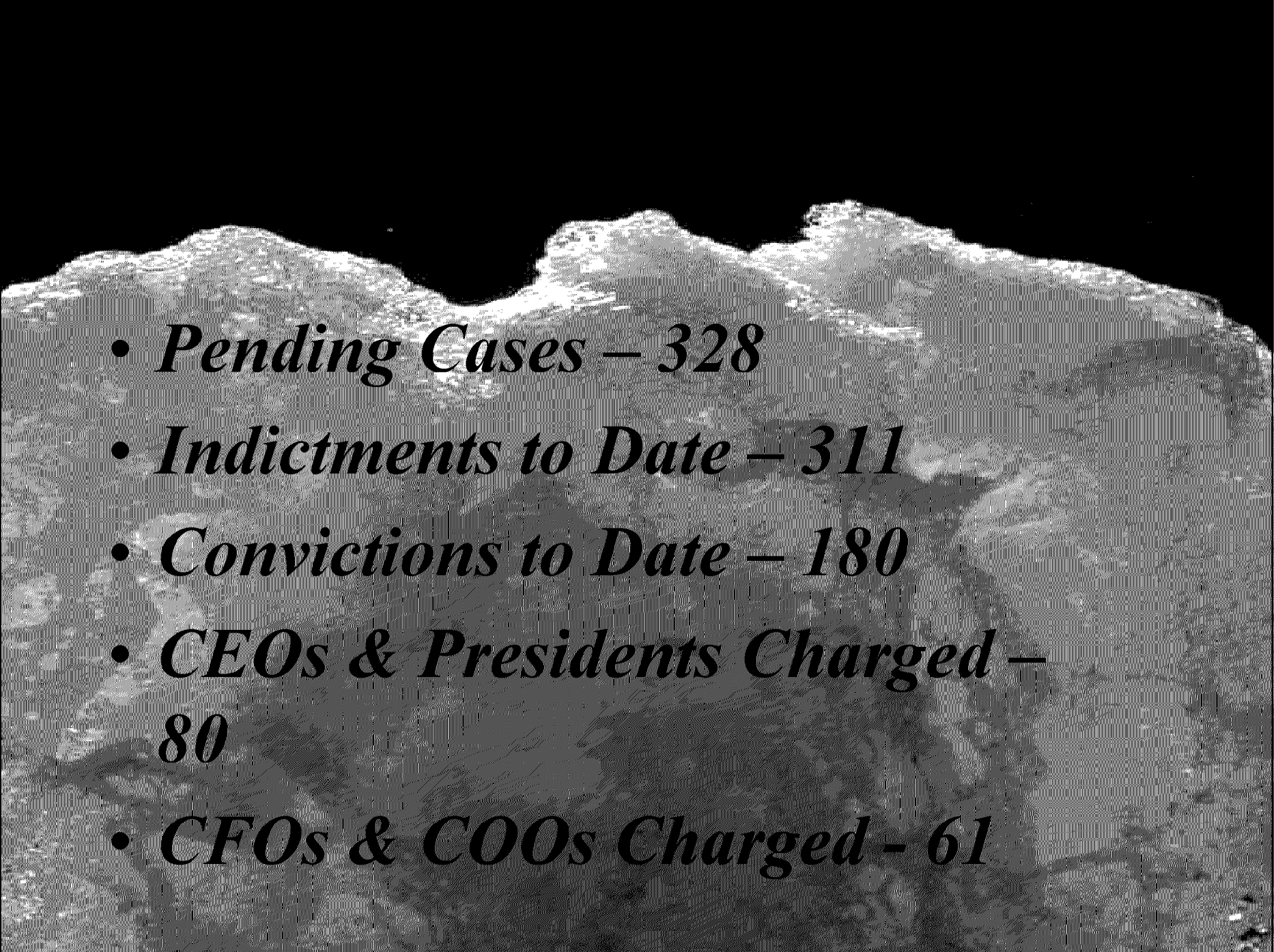
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"I gotta tell ya, these embezzlement convictions raise a red flag."

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- *Pending Cases – 328*
 - *Indictments to Date – 311*
 - *Convictions to Date – 180*
 - *CEOs & Presidents Charged – 80*
 - *CFOs & COOs Charged - 61*



ANOTHER AMERICAN SUCCESS

Story!!!

- *Westin Smith*
- *William Owens*
- *Emery Harris*
- *Kenneth Livesay*
- *Virginia Valentine*
- *Cathy Edwards*
- *Kay Morgan*
- *Angela Ayers*

Sports Medicine & Re

- *Mike Martin*
- *Malcolm McVeigh*
- *Aaron Beam*
- *Jason Brown*
- *Richard Botts*
- *William Hicks*

Dr. Catherine Fawcett

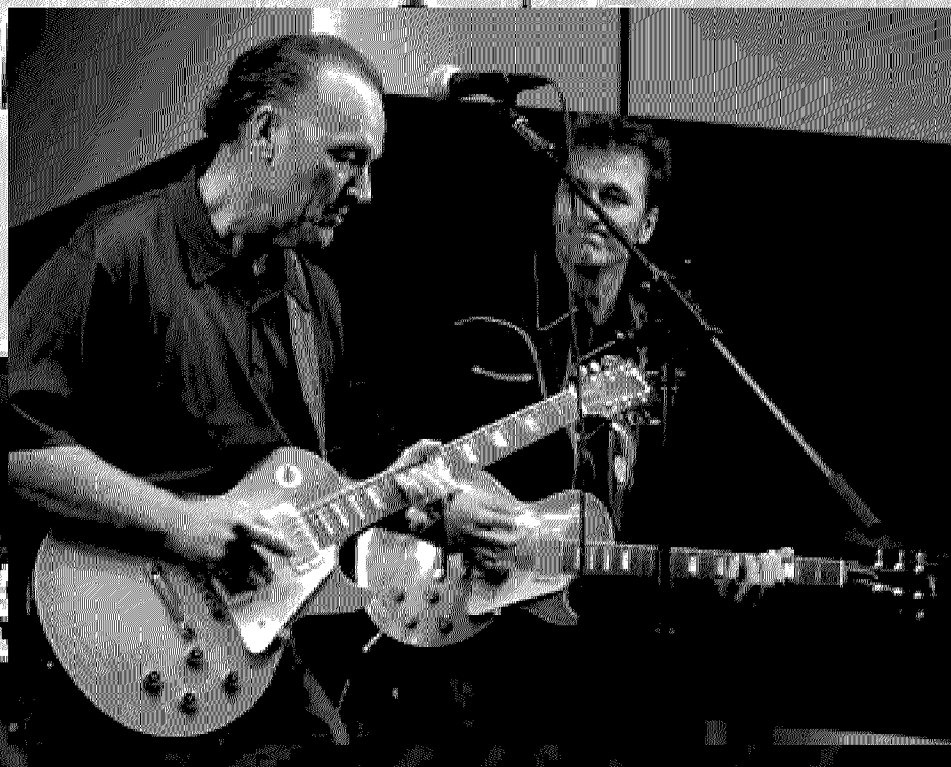
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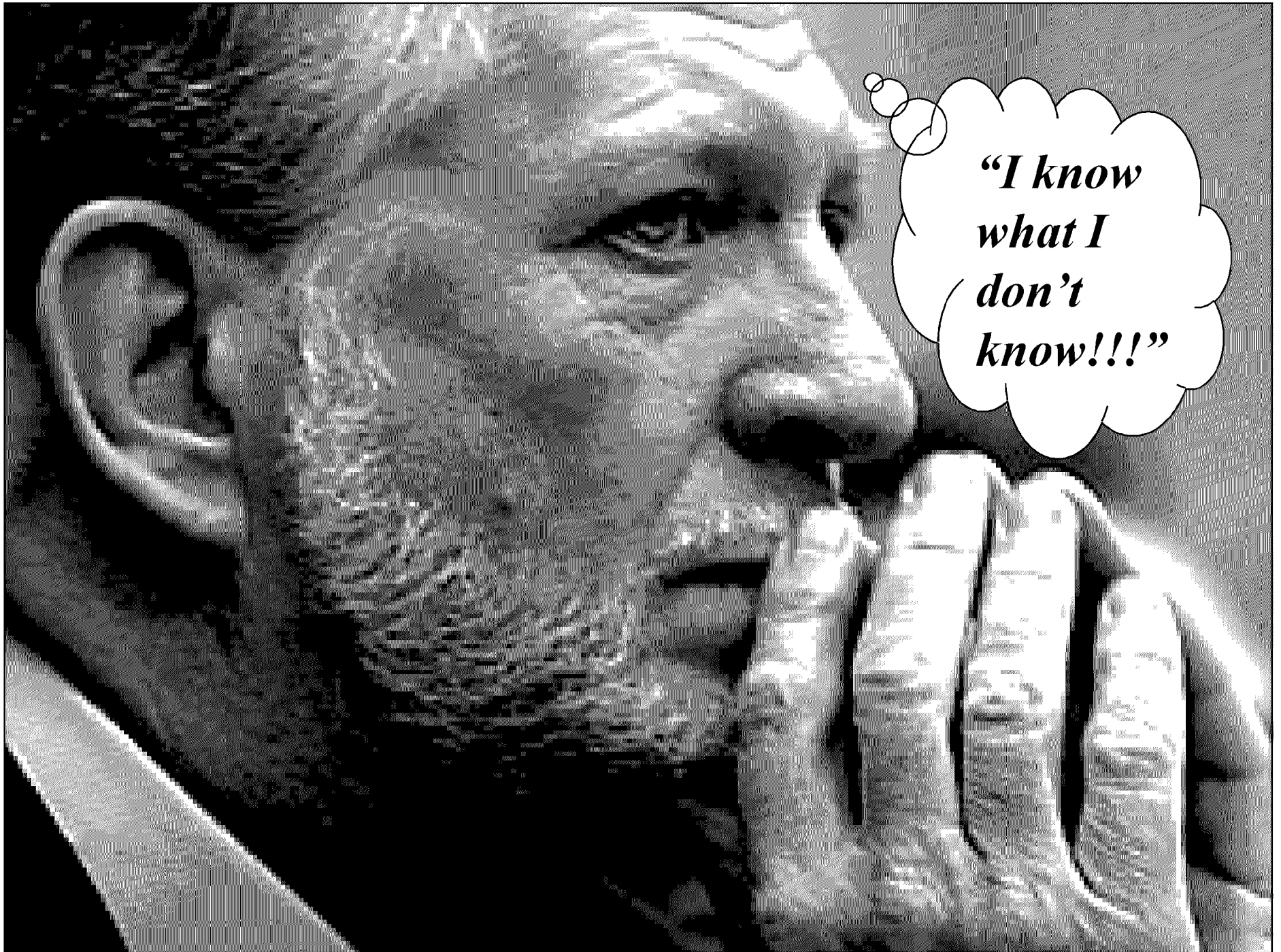
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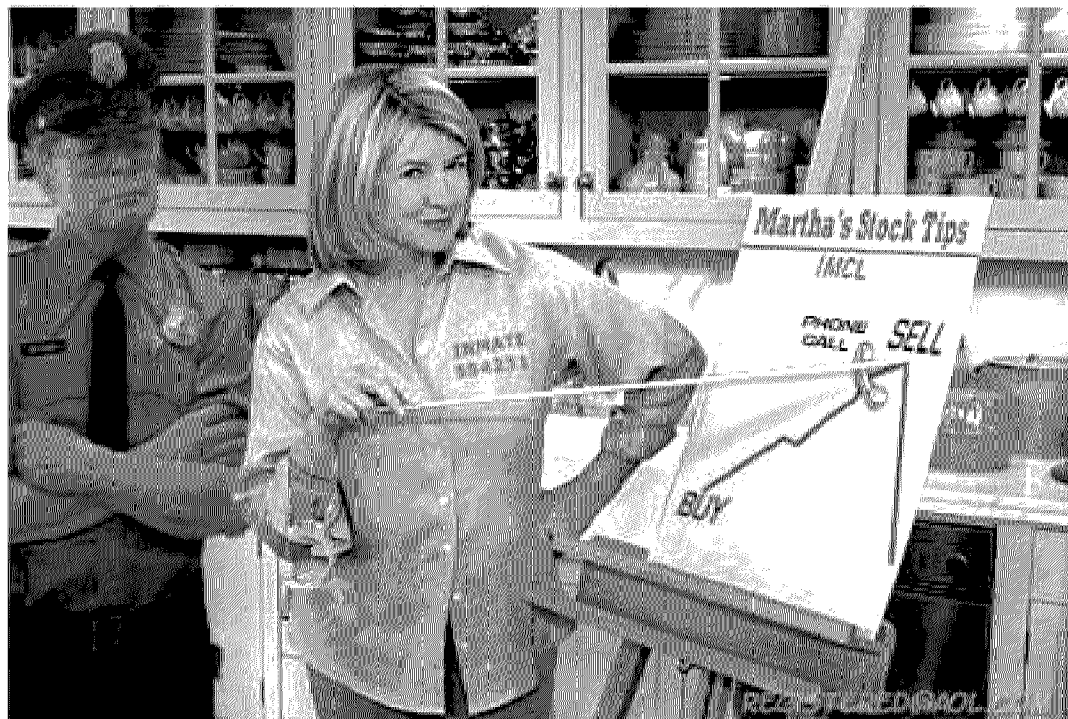
health





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SUBSCRIPTIONS
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Successful Interview

- ***Authority***
- ***Experience***
- ***Focus on Witness Rather than Suspect Interviews***
- ***Don't Rely on the Public Accountant to Find the Fraud!!!***



Keith Slotter
Special Agent in Charge
Sacramento Division

(916) 977-2201