



14th Fraud Conference
Thursday, December 15, 2016
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The New Jersey Chapter of Association of Certified Fraud Examiners (ACFE) and the Northern New Jersey Chapter of the Association of Government Accountants (NNJ AGA) are co-sponsoring a Fraud Conference with the Rutgers Business School. This event offers a unique forum to discuss emerging issues in the area of Fraud with experts and an outstanding opportunity to earn reasonable CPE credits in today's economic times. The event will be held on December 15, 2016 at the Rutgers Business School located at One Washington Park, Room 216, New Jersey, 07102, from 8:00 am to 4:30 pm. Parking is available at numerous lots at the individual's expense.

Conference attendees will receive an estimated eight (8) CPE credits in Auditing.
NASBA Sponsor Identification #116231

The cost for the event is as follows:

- \$150 for ACFE /ISACA/AGA members with a minimum of 48 hours advanced reservation.
- \$175 for ACFE/ISACA/AGA members with no prior reservation.
- \$175 for non-ACFE/ISACA/AGA members with a minimum of 48 hours advanced reservation.
- \$200 for non-ACFE/ISACA/AGA members with no prior reservation.

All checks will be collected at the door and should be made payable to "Rutgers-The State University". No credit cards will be accepted. To make a reservation, email the attached registration form to Professor Karl Dahlberg, Rutgers Business School, Department of Accounting & Information Systems at Dahlberg@andromeda.rutgers.edu.

Intended Audience: CPAs, Fraud Examiners, and professionals with an interest in ethics, fraud and computer systems.

Program Description: Professionally-qualified speakers will present various fraud topics of current interest.

Learning Objectives: To provide updated information in the following areas:

- Textual Analytics
- Healthcare Fraud
- Money Laundering and Mortgage Fraud
- Case Studies Healthcare Fraud

Delivery Method: Group live

Program Level: Update

Prerequisites: None

Advance Preparation: None

Refund Policy: 100% refund if cancelled at least 48 hours prior to the event

Complaint Resolution: Complaints will be resolved by the Rutgers Accounting Research Center

Rutgers Business School is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through this website: www.NASBAregistry.org.

Scheduled Speakers and Topics

Textual Analytics – Blazing a Trail for the Benford’s Law of Words

Richard B. Lanza, CPA, CFE, CGMA

Richard Lanza has nearly 25 years of fraud detection, cost recovery, and audit experience specializing in data analytics, while becoming a leading authority in these areas. Rich wrote over 19 publications (including 101 ACL Applications: A Toolkit for Today’s Auditor), educational training videos, and over 75 articles on the practical use of technology in an audit setting. Rich has been awarded by the Association of Certified Fraud Examiners for his research on proactive fraud reporting. Rich recently discovered a new analysis technique entitled letter analytics to speed results within textual analysis. He is also a regular presenter for the Association of Certified Fraud Examiner Auditnet, Basware, CFO.com, the Institute of Internal Auditors, and Lorman Financial. Rich has worked for organizations ranging in size from \$30 million to \$100 billion and in all, has helped them find value/cash savings through the use of technology and recovery auditing.

Textual Analytics always produces something interesting, yet the tools being used can take too long or outright miss the subtleties in the data. Wordles (a “wordle” is a visual representation of data where the text increases in font size based on the relative number of word occurrences), for example, provide a useful image of the words yet are not effective in identifying deviations over time. To supplement this need, a new letter approach can quickly identify deviations in word usage over time and to established English usage benchmarks. Using a variety of case examples and new visualizations, this new letter approach called letter analytics will improve textual analytic efficiency and allow the analyst more time for drafting improved conclusions. Watch Rich Lanza go through a variety of ACL and Excel dashboard examples to highlight the use of this exciting new technique. Rich will also discuss textual analytic concepts just as key word testing and the development of Wordle charts. Rich will explore many case studies beyond what was featured in his ACFE Fraud Magazine double-article in the May through August 2016 issues.

Healthcare Fraud

Timothy Dineen, CFE, Director, Horizon BCBSNJ Special Investigations

Mr. Dineen has been with Special Investigations in the Security and Administration Division of Horizon Blue Cross Blue Shield of New Jersey (NJ) since 2005. He has in excess of 25 years of experience on both the payer and provider side of the healthcare industry with over 20 years of experience specific to fraud investigations. As Director of the Horizon-BCBSNJ Special Investigations Team, Mr. Dineen is responsible for leading the strategic direction of the team with a primary mission of protecting the assets of the company and its clients. He has focused his efforts on the blending the areas of investigations, data analytics and strong collaboration with law enforcement which he believes to be the three key elements in successfully addressing the issue of health insurance fraud. Mr. Dineen sits on the Blue Cross Blue Shield Association National Anti-Fraud Advisory Board.

Prior to coming to Horizon BCBSNJ, Mr. Dineen was Manager of Investigations in the Audit Services Department of Mount Sinai Medical Center in New York City. He supervised and investigated a variety of occupational fraud cases in topics such as employee embezzlement, corruption and conflicts of interest. He also served as a member of the Mt. Sinai HIPAA Compliance Committee as well as being the investigative arm of the Medical Center’s Compliance Department.

Mr. Dineen is a Certified Fraud Examiner (CFE), has a Bachelor's degree (BS) from the University of Delaware in Criminal Justice and a Master's degree (MPA) from Seton Hall University in Public Administration.

Timothy will discuss some current headlines of what is going on in the world of Healthcare Fraud Investigations within the following topics:

Scope – Impact of Healthcare fraud (approximately \$60 billion per year)

Laws – Federal and State Laws (specifically New Jersey) regarding Healthcare Fraud

Roles – Roles of private industry, law enforcement agencies and regulators

Special Investigation Units – What does the 21st century special investigations unit look like? (Skill sets, tools, etc.)

Case Examples – discuss some cases, how they came to be and how they were resolved

Money Laundering and Mortgage Fraud

Sergeant Mark W. Malinowski, MS, CFE, CAMS

Mark Malinowski has over 17 years working in both the banking industry and as a law enforcement professional conducting financial crimes investigation, detecting fraudulent activity within public and private organizations and designing fraud prevention programs for various business and government agencies.

Mark Malinowski is currently a Detective Sergeant with the Ocean County Prosecutor's Office, supervising the Economic Crimes Unit. This unit investigates financial crimes, internal affairs, corruption and organized crime along with supplying financial crimes investigation support to the homicide and narcotics units. He was deputized as a US Marshal/IRS Special Agent from 2007-2009, while investigating an international gambling and money laundering operation. He was a member of the Ocean County Regional SWAT team from 2009-2011.

Mark Malinowski has conducted and supervised various types of financial investigations ranging from theft by deception, money laundering, asset forfeiture, organized crime enterprises (street gangs and traditional), racketeering, tax offenses, mortgage fraud, insurance fraud, Ponzi schemes, embezzlements, and the tracing of financial funding for domestic and international narcotics trafficking throughout the State of New Jersey and on a global scale.

He has earned a Master of Science degree in Financial Fraud and Forensics from Carlow University and a Bachelor of Science degree in Business Studies with a concentration in Marketing from Stockton University. He holds the professional certifications as a Certified Fraud Examiner (CFE) and Certified Anti-Money Laundering Specialist (CAMS). In addition, he has completed all the courses and professional experience requirements to sit for the Certified Public Accountants exam in the State of New Jersey.

In addition to the above information, Mark Malinowski is a certified State of NJ police instructor at the Ocean County Police Academy and the NJ Division of Criminal Justice Training Facility, instructing recruits in the areas of fraudulent documents, financial investigations, asset forfeiture, internal affairs, money laundering and organized crime.

In 2013, Mark Malinowski established Framework Financial, LLC, which specializes in the development of anti-fraud educational seminars and fraud risk assessments for all types of businesses and public sector agencies. This led him to be the instructor and designer of the Certificate in Financial Crimes Investigations program held at Stockton University's Center for Public Safety & Security. He has presented as a subject matter expert for several private companies and is currently an adjunct instructor at several colleges throughout the country on the topics of financial crimes, money laundering investigations and locating hidden assets.

Methods of Money Laundering Investigations

Case Studies: Mortgage Fraud Ring & Organized Narcotics Enterprise

- I. Introduction to Money Laundering Methods
 - A. Placement Methods
 - B. Layering Methods
 - C. Integration Methods
- II. Investigation Methods for Money Laundering
 - A. Victims
 1. Financial Documents and Bank Records
 2. Methods to analyze bank and public records
 - B. Targets
 1. Financial Documents and Bank Records
 2. Methods to analyze bank and public records
 - C. Investigative Documents
 1. Analyzing records for probable cause
 2. Utilizing financial crimes for additional charges
 - D. Prosecuting Money Laundering
 1. Preparing for grand jury and trial
 2. Presenting your money laundering case
- III. Case Study – Operation Family Affair - \$2 Million Dollar Mortgage Fraud Ring
- IV. Case Study – Operation Road Runner – Coast to Coast Organized Narcotics Enterprise
- V. Conclusion and Question & Answer Session

Case Frauds

Kelly Kalemba, MBA, AHFI

Kelly Kalemba is a subject matter expert in managed care and Medicare Advantage plans with over six years of investigative experience, working directly in the fraud, waste, and abuse (FWA) arena for the government and private insurers. Kelly has investigated cases related to healthcare fraud such as Medicare, medical, ambulance, durable medical equipment (DME) and pharmacy. Throughout this time, Kelly has identified approximately \$75 million that was overpaid to providers and pharmacies due to FWA.

Medical Case

❖ Durable Medical Equipment (DME) company

- Multiple companies throughout the country
- Transferring of patients between each company
 - Company obtained (“bought”) Medicare patient lists containing all information needed to bill insurance companies for DME supplies
- Billing for supplies not needed/requested
 - Members would order 1 item and be shipped multiple other items; when members called company, company stated to keep item at no charge to them
 - The member would send back the DME and DME Company would not refund the bill; instead they would then restock the DME and send it out to another member.
- Billing for supplies not received
 - Company was billing supplies to patients that were deceased for months
- Aggressive telemarketing sales tactics
 - Telling members they were Christian Charity
 - Telling members they were Medicare (not DME Company)
 - Telling members that the insurance company requested they call the member
 - Telling members their physicians approved/ordered the medical equipment they were sending

Pharmacy Case

❖ Compound Medication Scheme

- Involved a doctor, a compounding pharmacy and a group of members
- Doctor wrote multiple prescriptions for high dollar compound medications for a small group of family members and sent prescriptions to the pharmacy
 - The pharmacy was located in Florida
 - Doctor and members were located in a separate state
- Members were part of the scheme
 - Aware the prescriptions were being written and billed using their insurance information
 - Medications were not received
- Members did not have corresponding medical claims from the doctor that wrote the prescriptions
 - These members were not seen by the doctor
 - Were these medications necessary?