

Student Fraud Project: Forensic Analysis of Personal and Corporate Bank Statements

**Economic Crime and the Online World
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**Moderator:
Bernard Hyman Jr., Esq.
(315) 798-5766
bhyman@ocgov.net**

**Presenter:
Jacqueline Romano, CFE
(315) 525-1247
jackiecromano@gmail.com**

Presentation Topics:

- **Types of Frauds Uncovered Utilizing Bank Statement Method**
- **Bank Statement Method Benefits**
- **Bank Statement Method & Use of Templates**
- **Bank Account Information**
- **Obtaining Bank Statements**
- **Success Stories**
- **Analyzing Personal & Corporate Bank Statements. The Steps!**
- **Memorandum of Findings**
- **Questions**



Types of frauds uncovered utilizing the bank statement method:

- **Embezzlement**
- **Skimming**
- **Larceny**
- **Forgery**
- **Tax Fraud – (evasion)**
- **Scheme to Defraud**
- **Money Laundering**
- **Asset Misappropriations**
- **Falsifying Business Records**

Bank Statement Method Benefits

Might provide leads on:

- **sources of funds**
- **sources of expenditures**
- **personal affairs**
- **additional bank accounts**
- **fraud method used**
- **unrelated fraudulent activity**



Bank Statement Method & Use of Templates

Why analyze personal or corporate bank statements?

- To establish income and locate assets**
- To prepare net worth analysis**
- Source & application of funds analysis**
- To determine illegally obtained funds**

- It is an alternative when subjects books are incomplete, unavailable or withheld.**

- Utilizing the guidelines in conjunction with the templates will provide an effective, efficient and accurate means of compiling, analyzing and presenting the financial evidence.**

Bank Account Information

- **Account Statements – BSA retention requirement 5 years**
- **Cancelled Checks**
- **All records of payment**
- **All records of receipts**
- **Wire Transfers**
- **Receipts for the purchase of cashier checks and money orders**
- **Withdrawal slips**
- **Check Registers**

Obtaining Bank Statements

- **Subpoena Duces Tecum**
 - Judicial
 - Grand Jury

- **SAR's**

Ex-office manager indicted

By ROCCO LaDUCA
Observer-Dispatch

Posted Oct 07, 2011 @ 05:12 PM
Last update Oct 07, 2011 @ 05:34 PM

UTICA — The former office manager of Mohav...
allegations that she stole more than half a mill...
Nancy Phillips, 39, of Herkimer, is scheduled...
grand jury indictment that was handed up thi...
Phillips was charged initially with second-...
larceny, three counts of second-degree...
records, according to the indictm...

Phillips is accused of stea...
id.

Gambling addiction lands ex-bookkeeper in prison

Stole more than \$600,000 from Oriskany facility

BY ROCCO LADUCA
raduca@uticaod.com



UTICA — As Sharon Ozkowsky continued to steal thousands of dollars from a senior living facility in Oriskany while employed as its bookkeeper, an Oneida County Court judge on Tuesday wondered why she could not stop herself before it was too late.
"How could you not recognize you were in too deep?" Judge Michael L. Dwyer asked Ozkowsky, 58, moments before she was sentenced to 4½ to 13½ years in prison for second-degree grand larceny. Ozkowsky spent three years stealing more than \$617,000 from Pounder Hall Home & Campus in Whitesboro, was sentenced Tuesday when she was a bookkeeper at Turning Stone Resort Casino. The photo is attorney Waddie Kalil.

Ex-Remsen store employee admits stealing nearly \$55,000

By ROCCO LaDUCA
Observer-Dispatch
raduca@uticaod.com

UTICA — A Remsen woman admitted Monday in Oneida County Court to stealing nearly \$55,000 in daily profits from her employers at the Remsen General Store.

Denice Carr, 43, pleaded guilty to third-degree grand larceny and has agreed to replace some of the funds by paying \$100 a week for the next five years of probation. Carr then like... of...

Ozkowski spent three years stealing more than \$617,000 from Pounder Hall at the Eastern Star Home & Campus to fuel her out-of-control gambling addiction at Turning Stone Resort Casino.

"I guess I'm really stubborn," Ozkowsky said. "I knew I needed help, but I thought I could do it on my own. ... I have no one to blame but myself."
Instead, the funds for Pounder even as people drained their money and donated the res... activities the enjoy, said...

Attorney Bernard Hyman says it "shocks the conscience" that Ozkowsky could not find some way to stop the stealing as it got worse, her attorney, Waddie Kalil, said the power of the law was the only thing that could end her "nightmare."

Attorney Bernard Hyman said it "shocks the conscience" that Ozkowsky could not find some way to stop the stealing as it got worse, her attorney, Waddie Kalil, said the power of the law was the only thing that could end her "nightmare."
"I do believe she was mentally relieved to be caught," Kalil said. Kalil also read a letter from Ozkowsky's husband, Greg, who said he was hurt when he first learned of what his wife had done. But after 27 years of marriage, Greg Ozkowsky said he would not give up on helping his wife overcome her gambling addiction. "I loved her then, and I continue to love her now," Greg Ozkowsky wrote.

Former AYSO leader pays back \$30G she stole

By ROCCO LaDUCA
Observer-Dispatch

Posted Feb 18, 2011 @ 11:54 AM
Last update Feb 18, 2011 @ 05:32 PM

UTICA — A Rome woman paid back Friday all of the nearly \$30,000 in funds she stole from two non-profit organizations.
Because all the money was returned, Maura Hatton, 39, was sentenced in Oneida County Court to only four months without any time behind bars after previously pleading guilty to third-degree and fourth-degree grand larceny.
She also will have to serve 150 hours of community service.
Hatton said the stress of marital and household problems caused her to abuse her leadership positions with the Rome Youth Hockey Association to embezzle money that was intended for the organization.

awk, helps her calf, Lily, learn to walk Monday during County Fair.

IN PRINT
PRINTING ONLINE

Oct. 1. She 90 days

ing Stone Resort & Casino. "We have reason to believe that the money was used at the casino," Hyman said after the proceeding.
While Carr admitted to stealing the money, she denied that she doctored any financial documents in order to cover her tracks.
Carr said she wrote the accurate amount of profits for that day in a company journal, and then she would write the accurate amount of money deposited at the end of the day, which was always smaller than the initial profits to her thefts.

"You didn't do anything other than money?" Dwyer asked. "Nobody the paperwork," Carr replied. "The store owner hired an accountant to look at the store's books. He found the thefts discovered."

1:28
slam
another
stone
"Al
suspe

Success Stories

➤ **Gambling addiction lands ex-bookkeeper in prison**

- 3 years stole over \$ 617,000.
- misappropriating funds & falsifying business documents
- 2nd Degree Grand Larceny
- 4 1/2 to 13 1/2 years in prison & restitution

➤ **Ex-office manager indicted on theft charges from urologist**

- arraigned on 2nd degree & 3rd degree grand larceny, three counts of 2nd degree criminal possession of a forged instrument and 3 counts of 1st degree falsifying business records.
- 5 years stole more than 1/2 million dollars

Success Stories

- **Ex-Remsen Store Employee admits stealing nearly \$55,000**
 - skimming & falsifying business documents
 - 3rd Degree Grand Larceny
 - 121 days in Jail, 5 yrs. probation & restitution
- **Former AYSO leader pays back \$30G she stole**
 - misappropriating funds for own personal use
 - 3rd Degree & 4th Degree Grand Larceny
 - 5 years probation, 150 hrs community service & paid full restitution of the \$30G

The Analysis of Personal & Corporate Bank Statements... The Steps!

Step 1: Verification of Data

- ✓ **Verify information supplied matches the request (s)**
- ✓ **Document missing information**

Step 2: Organize the Data

- ✓ **Not uncommon to have a 1000 pieces of documentary evidence**
- ✓ **Organize the data for easy retrieval (alpha, chronologically and develop filing system)**

Step 3: Develop data base workbooks (commence with templates and develop new where appropriate)

The Analysis of Personal & Corporate Bank Statements... The Steps!

Step 4: Compile the Data

- ✓ Data entry or import data

Step 5: Analyze the Data

- ✓ Analyze the data to ascertain if additional information is needed.
- ✓ Analyze the data to determine what additional reports may need to be generated.

- ✓ Step 6: Sort the Data

The Analysis of Personal & Corporate Bank Statements... The Steps!

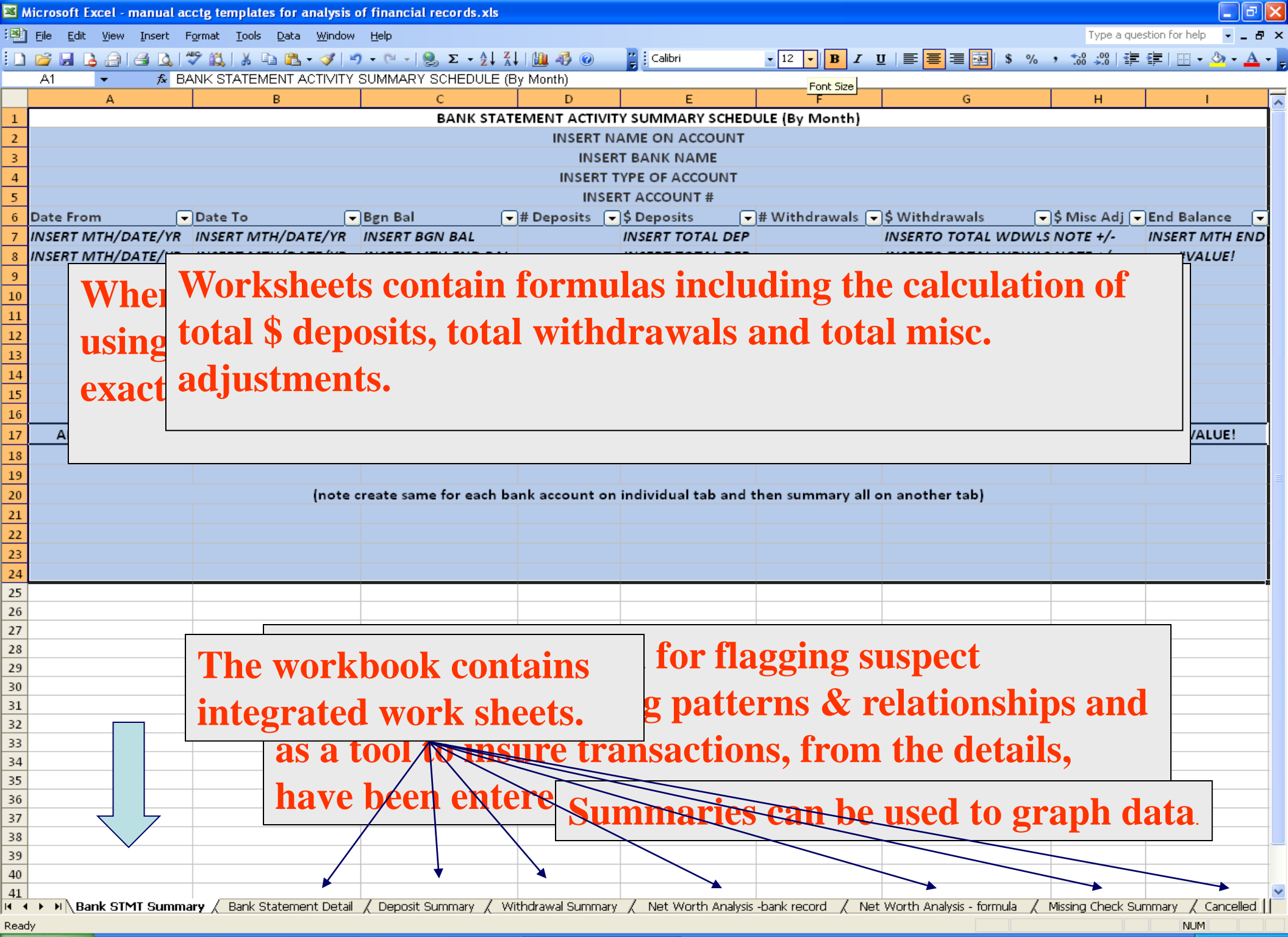
Step 7: Reports

- ✓ Generate summaries, reports and graphs
- ✓ Develop “draft” Memorandum of Findings

Step 8: Identify Additional Data needed

Step 9: Finalize

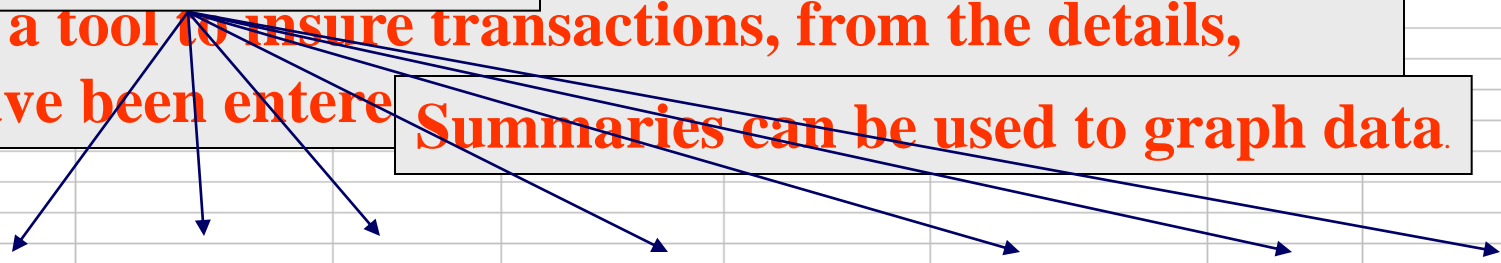
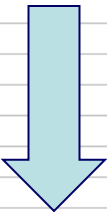
- ✓ Verify summaries, reports and charts
- ✓ Memorandum of Findings



When using exact Worksheets contain formulas including the calculation of total \$ deposits, total withdrawals and total misc. adjustments.

(note create same for each bank account on individual tab and then summary all on another tab)

The workbook contains integrated work sheets. for flagging suspect g patterns & relationships and as a tool to insure transactions, from the details, have been entered. Summaries can be used to graph data.



Microsoft Excel - manual acctg templates for analysis of financial records.xls

File Edit View Insert Format Tools Data Window Help

Type a question for help

Print_Area Total

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	BANK ACCOUNT ANALYSIS SPREAD SHEET												
2	INSERT BANK ACCOUNT NAME/NUMBER (CREATE ONE FOR EACH BANK ACCOUNT (THEN MERGE))												
3	INSERT NAME OF TARGET/SUSPECT												
4	Date (MTH/DAY/YR)	Check #	Payee	\$ Amount	Signer (initials)	Endorser	Bank Acct From	Acct # From	Type of Transaction	Memo/For (INSERT ALL INFO NOTE ON CHECK)	Deposit to bank	Deposit to acct	Comments
5	INSERT MTH/DATE/YR												
6									check				
7									transfer				
8									wire				
9									debit memo				
10									credit memo				
11									deposit				
12									ATM transaction				
13													
14													
15													
16	Total												\$0.00
17													
18													
19													
20													
21													
22													
23													
24													
25													
26													
27													
28													
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34													
35													
36													
37													
38													

Note: Information from bank statement, cancelled checks and deposit tickets

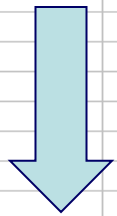
Bank STMT Summary Bank Statement Detail

Ready

Column C- Payee obtained from cancelled check

**Column J – Memo/for c
It is useful in identifying
customers and investme
investigation.**

**Column M – In this column
add important comments
including “c” for cashed for
cash. This information is
located on the reverse side of
the check. It is supporting info.
used for the sources of
unknown income**



1 BANK ACCOUNT CREDIT (DEPOSIT) SUMMARY

2 INSERT BANK ACCOUNT NAME/NUMBER (CREATE ONE FOR EACH BANK ACCOUNT (THEN MERGE))

3 INSERT NAME OF TARGET/SUSPECT

4	Date (MTH/DAY/YR)	Type of Transaction	Amount \$	Transaction # (Check #)	Transaction Date (of check, wire etc.)	Transaction (Source From)	Acct. #. From	Name of Bank Acct From	Mem	Comments
---	----------------------	------------------------	-----------	-----------------------------	--	---------------------------------	------------------	------------------------------	-----	----------

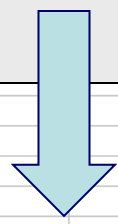
5 column a column l column d column b from source document column h column g column j column m

6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										

(THE ABOVE REFERENCE COLUMN # ARE FROM THE BANK STATEMENT DETAIL ALL CREDIT TRANSACTIONS)

This information is automatically generated from the bank statement detail report which must be obtained from source.

This spreadsheet will become the primary spreadsheet for calculating the perpetrators income from known and unknown sources!!

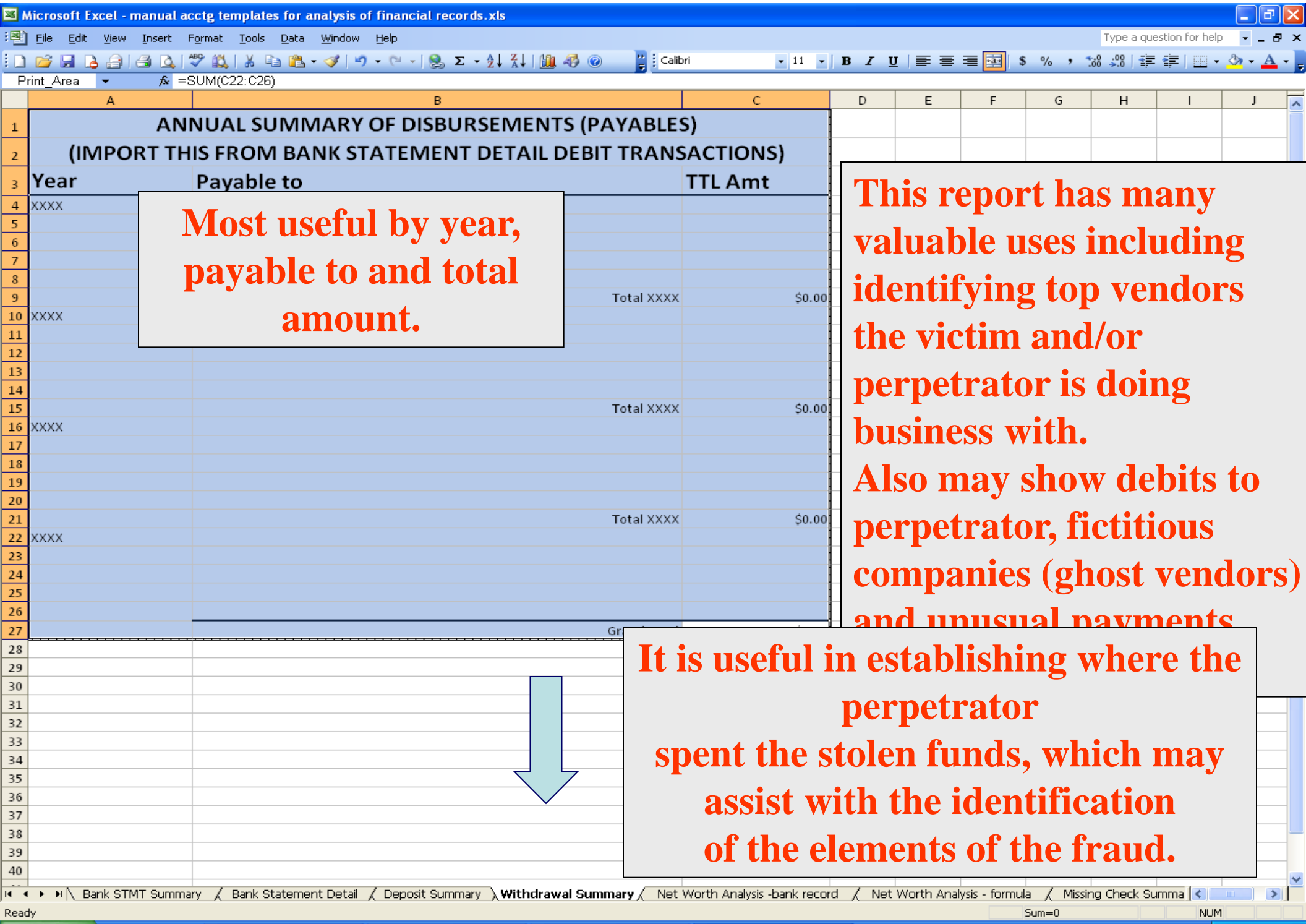


BANK ACCOUNT CREDIT (DEPOSIT) SUMMARY
INSERT BANK ACCOUNT NAME/NUMBER (CREATE ONE FOR EACH BANK ACCOUNT (THEN MERGE))
INSERT NAME OF TARGET/SUSPECT

Date (MTH/DAY/YR)	Type of Transaction	Amount \$	Transaction # (Check #)	Transaction Date (of check, wire etc.)	Transaction (Source From)	Acct. #. From	Name of Bank Acct From	Memo	Comm
column a	column l	column d	column b	from source document	column h	column g	column j	column	

A very instrumental report that is derived from the deposit summary report is the income from known and unknown sources or summary of income report. The income from unknown sources provides the analyst with an approximate amount of the potential fraud committed. The analyst should investigate the source of the unknown income including how the income was obtained.

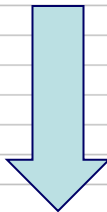
Example of Summary of Income						
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Total	
Utica College Payroll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Adecco Payroll	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Rent	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Income Known Sources	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Cash (from cash deposits)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
*TBD (to be determined)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Income Unknown Sources	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	



**Most useful by year,
payable to and total
amount.**

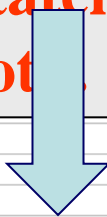
**This report has many
valuable uses including
identifying top vendors
the victim and/or
perpetrator is doing
business with.
Also may show debits to
perpetrator, fictitious
companies (ghost vendors)
and unusual payments**

**It is useful in establishing where the
perpetrator
spent the stolen funds, which may
assist with the identification
of the elements of the fraud.**



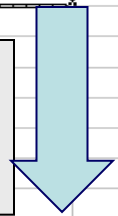
	A	B	C	D	E	F	G	H	I	J
1	Funds from Unknown Sources									
2	INSERT NAME OF TARGET (SUSPECT) ON BANK ACCOUNT									
3	Insert Year									
4	Total deposits to all accounts	minus								
5	- Transfers and re-deposits	equals								
6	Net deposits to all accounts	plus								\$0.00
7	+Cash expenditures	equals								
8	Total receipts from all sources	minus								\$0.00
9	-funds from known sources	equals								
10	Funds from unknown sources									\$0.00
11										

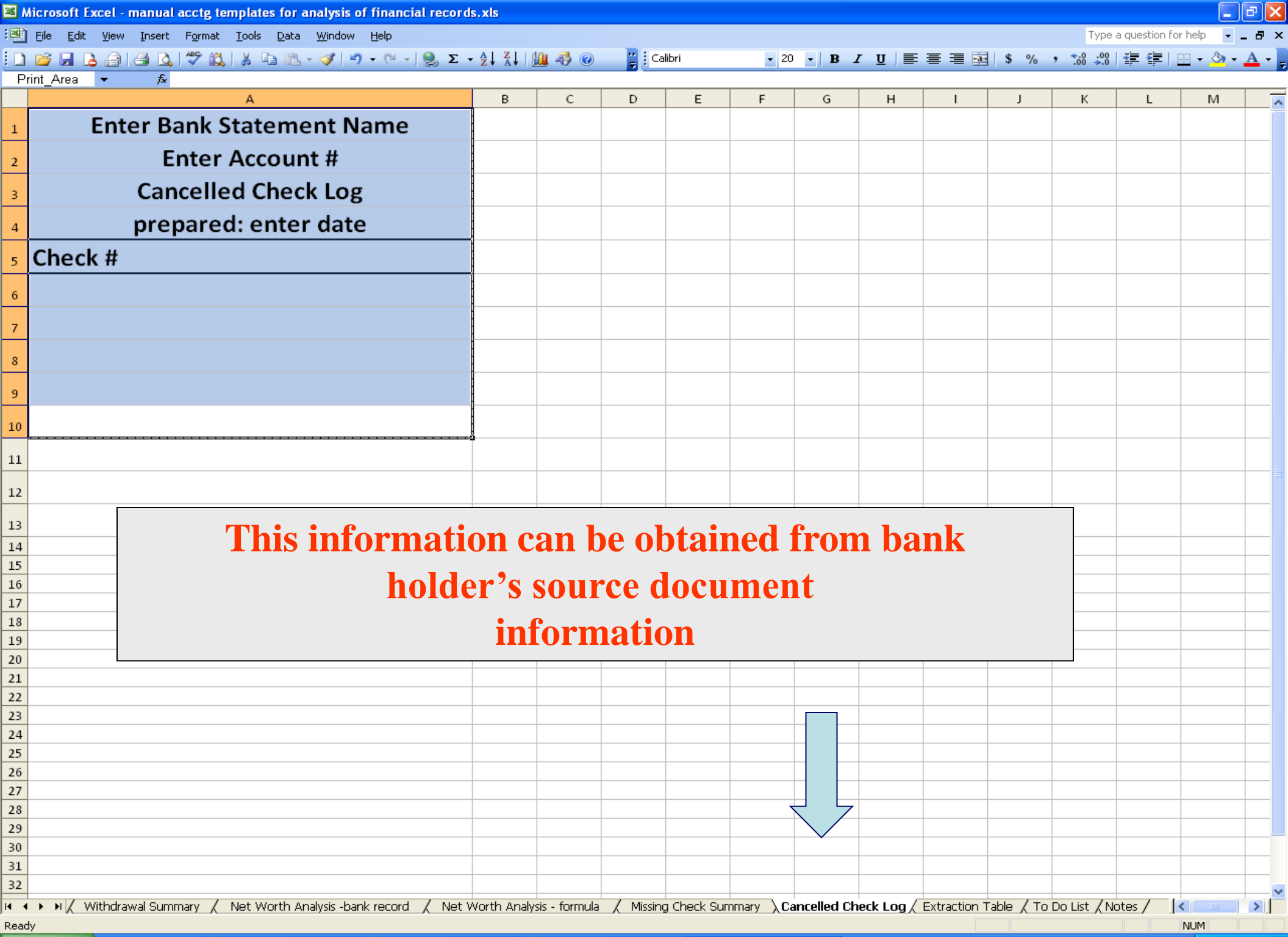
There is more than 1 way to develop a net worth analysis including by bank statements or by financial statements & other source documents. The template contains both



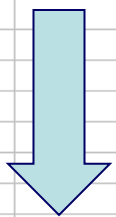
	A	B	C	D	E	F	G	H	I
1	MISSING CHECK SUMMARY								
2	INSERT NAME ON ACCOUNT								
3	INSERT TYPE OF ACCOUNT								
4	Bank Name	Account #	Account Type	Check Number					
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
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21									
22									
23									
24									
25									
26									
27									
28									
29									

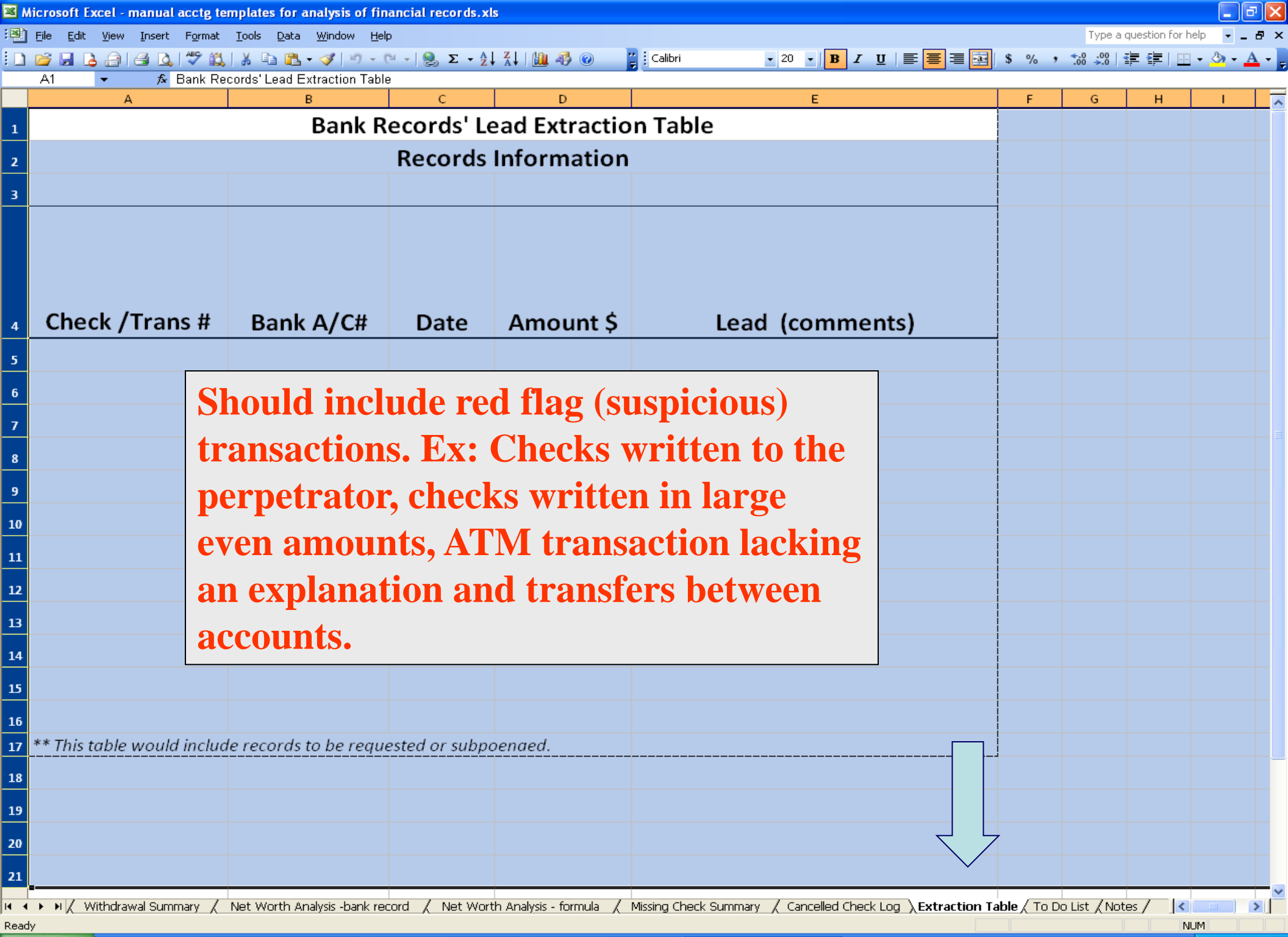
Generated by sorting the data by check number from the bank statement detail report.





This information can be obtained from bank holder's source document information





Bank Records' Lead Extraction Table

Records Information

Check /Trans #	Bank A/C#	Date	Amount \$	Lead (comments)
----------------	-----------	------	-----------	-----------------

Should include red flag (suspicious) transactions. Ex: Checks written to the perpetrator, checks written in large even amounts, ATM transaction lacking an explanation and transfers between accounts.

*** This table would include records to be requested or subpoenaed.*



FOLLOW THE MONEY



Bank Statement Summary (combination of multiple accounts)

Microsoft Excel - Case study main file.xls

File Edit View Insert Format Tools Data Window Help

Type a question for help

S48

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	
1	Name on Account								Insert Name on Account											
2	Bank of America, NA				Bank of America, NA				Bank of America, NA				Bank of America, NA				Bank of America, NA			
3	Bank Acct Campus Edge				Bank Acct Regular Saving				Bank Acct Regular Checking				Bank Acct Regular Savings				Bank Credit Accounts			
4	Checking 123456				Savings 123456				Checking 123456				Savings 123456				Personal Line of Credit 123456			
5	From	To	Balance	From	To	Balance	From	To	Balance	From	To	Balance	From	To	Balance	From	To	Balance		
6	1/25/07	2/21/07	\$391.87	1/25/07	2/21/07	\$1,450.82	1/17/2007	2/12/2007	\$592.00	1/17/07	2/12/07	\$24.54	1/17/07	2/12/07		1/17/07	2/12/07	\$508.03		
7	2/22/07	3/23/07	\$182.79	2/22/07	3/23/07	\$90.88	2/13/2007	3/15/2007	\$194.33	2/13/07	3/15/07	\$1.54	2/13/07	3/15/07		2/13/07	3/15/07	\$491.90		
8	3/24/07	4/23/07	\$41.81	3/24/07	4/23/07	\$485.88	3/16/2007	4/13/2007	\$219.91	3/16/07	4/13/07	\$18.04	3/16/07	4/13/07		3/16/07	4/13/07	\$484.38		
9	4/24/07	5/23/07	\$87.51	4/24/07	5/23/07	\$94.55	4/14/2007	5/15/2007	\$133.82	4/14/07	5/15/07	\$8.04	4/14/07	5/15/07		4/14/07	5/15/07	\$476.64		
10	5/24/07	6/22/07	\$61.18	5/24/07	6/22/07	\$853.78	5/16/2007	6/14/2007	\$136.62	5/16/07	6/14/07	\$13.54	5/16/07	6/14/07		5/16/07	6/14/07	\$469.02		
11	6/23/07	7/24/07	\$49.73	6/23/07	7/24/07	\$437.77	6/15/2007	7/16/2007	\$812.02	6/15/07	7/16/07	\$19.05	6/15/07	7/16/07		6/15/07	7/16/07	\$461.05		
12	7/25/07	8/24/07	\$73.75	7/25/07	8/24/07	\$229.55	7/17/2007	8/16/2007	-\$440.91	7/17/07	8/16/07	\$5.56	7/17/07	8/16/07		7/17/07	8/16/07	\$453.19		
13	8/25/07	9/21/07	\$7.88	8/25/07	9/21/07	\$281.37	8/17/2007	9/13/2007	\$266.37	8/17/07	9/13/07	\$5.58	8/17/07	9/13/07		8/17/07	9/13/07	\$517.02		
14	9/22/07	10/24/07	\$78.03	9/22/07	10/24/07	\$516.43	9/14/2007	10/16/2007	\$510.83	9/14/07	10/16/07		9/14/07	10/16/07		9/14/07	10/16/07	\$508.90		
15	10/25/07	11/23/07	\$117.63	10/25/07	11/23/07	\$1,020.07	10/17/2007	11/14/2007	\$692.99	10/17/07	11/14/07		10/17/07	11/14/07		10/17/07	11/14/07	\$501.13		
16	11/24/07	12/21/07	\$68.12	11/24/07	12/21/07	\$1,026.59	11/15/2007	12/13/2007	\$1,564.58	11/15/07	12/13/07		11/15/07	12/13/07		11/15/07	12/13/07	\$493.22		
30	1/24/09	2/20/09	\$16.08	1/24/09	2/20/09	\$250.00	1/15/2009	2/11/2009	\$433.30	1/15/09	2/11/09	\$150.92	1/15/09	2/11/09		1/15/09	2/11/09	\$483.08		
31	2/21/09	3/24/09	\$23.83	2/21/09	3/24/09	\$144.05	2/12/2009	3/16/2009	\$1,074.09	2/12/09	3/16/09	\$6.42	2/12/09	3/16/09		2/12/09	3/16/09	\$474.84		
32	3/25/09	4/23/09	\$4.34	3/25/09	4/23/09	-\$5.95	3/17/2009	4/15/2009	\$628.37	3/17/09	4/15/09	\$11.93	3/17/09	4/15/09		3/17/09	4/15/09	\$467.20		
33	4/24/09	5/21/09	\$0.00	4/24/09	5/21/09	-\$7.56	4/16/2009	5/13/2009	\$1,525.11	4/16/09	5/13/09	\$167.44	4/16/09	5/13/09		4/16/09	5/13/09	\$459.20		
34	5/22/09	6/23/09	\$0.00	5/22/09	6/23/09	\$3.49	5/14/2009	6/15/2009	\$256.78	5/14/09	6/15/09	\$12.95	5/14/09	6/15/09		5/14/09	6/15/09	\$451.31		
35	6/24/09	7/24/09	\$359.85	6/24/09	7/24/09	\$0.00	6/16/2009	7/16/2009	\$71.66	6/16/09	7/16/09	\$12.95	6/16/09	7/16/09		6/16/09	7/16/09	\$443.09		
36	7/25/09	8/24/09	\$285.64	7/25/09	8/24/09	\$0.00	7/17/2009	8/14/2009	\$745.48	7/17/09	8/14/09	\$12.96	7/17/09	8/14/09		7/17/09	8/14/09	\$434.96		
37							8/15/2009	9/15/2009	\$1,124.00	8/15/09	9/15/09	\$162.97	8/15/09	9/15/09		8/15/09	9/15/09	\$476.70		
38							9/16/2009	10/16/2009	\$13.98	9/16/09	10/15/09	\$13.98	9/16/09	10/15/09		9/16/09	10/15/09	\$468.73		
39							10/16/2009	11/13/2009	\$20,164.41	10/16/09	11/12/09	\$20,164.41	10/16/09	11/12/09		10/16/09	11/12/09	\$460.99		
40							11/13/2009	12/15/2009	\$277.28	11/13/09	12/15/09	\$11,632.90	11/13/09	12/15/09		11/13/09	12/15/09	-\$0.23		
41							12/16/2009	1/13/2010	\$1,605.76	12/16/09	1/13/10	\$25,001.95	12/16/09	1/13/10		12/16/09	1/13/10	\$499.77		
42							1/14/2010	2/10/2010	\$746.07	1/14/10	2/10/10	\$43,145.68	1/14/10	2/10/10		1/14/10	2/10/10	\$0.00		
43							2/11/2010	3/16/2010	\$591.28	2/11/10	3/16/10	\$26,229.63	2/11/10	3/16/10		2/11/10	3/16/10	\$0.00		
44							3/17/2010	4/15/2010	\$5,510.77	3/17/10	4/15/10	\$1,632.90	3/17/10	4/15/10		3/17/10	4/15/10	\$0.00		
45							4/16/2010	5/13/2010	\$1,273.33	4/16/10	5/13/10	\$1,632.90	4/16/10	5/13/10		4/16/10	5/13/10	\$0.00		
46							5/14/2010	6/15/2010	\$382.05	5/14/10	6/15/10	\$1,632.90	5/14/10	6/15/10		5/14/10	6/15/10	\$0.00		
47							6/16/2010	7/15/2010	\$89.35	6/16/10	7/15/10	\$1,632.90	6/16/10	7/15/10		6/16/10	7/15/10	\$0.00		

Lab: Posted on 11/04/09 as Counter credit in the amount of \$25,000.00

Lab: 15,000.00 counter credit posted on 1/11/10

Lab: \$3K counter credit posted on 1/25/10 and \$15,000 counter credit posted on 2/5/10

As mentioned during the template review summaries are useful for flagging suspect transactions.

Sum=\$9,981,579.26 NUM

Deposit Summary (combination of multiple accounts)

Microsoft Excel - Case study main file.xls

File Edit View Insert Format Tools Data Window Help

Type a question for help

BB39

AC AP AT AU AV AW AX AY AZ BA BB BC E

1 BANK ACCOUNT CREDIT (DEPOSIT SUMMARY)

2 INSERT BANK ACCOUNT NAME/NUMBER (CREATE ONE FOR EACH BANK ACCOUNT) AND MERGE

3 INSERT NAME OF TARGET/SUBJECT

4

5 Monthly Total

6 Date Date Transaction Detail Amount Check # Check Date Deposits Deposit From (Name) Bank/Account # From Check Amt

7 2/22/2010 deposit \$2,500.00 2/22/2010 Cash \$2,500.00

8 2/26/2010 Deposit from Jane Smith \$1,500.00 2057 2/25/2010 Jane Smith \$1,500.00

9 3/1/2010 deposit from cash \$25,000.00 3/1/2010 \$29,000.00 Cash \$10,000.00

10 3/1/2010 counter credit 101775 2/27/2010 Turning Stone F \$15,000.00

11 3/16/2010 ATM deposit whitestown \$899.92 7572 3/15/2010 Victim Acct \$899.92

12 3/25/2010 ATM deposit whitestown \$398.02 37288931 2/1/2010 Payroll Acct \$398.02

13 4/2/2010 ATM deposit whitestown \$1,376.95 7627 3/24/2010 Victim Acct \$376.95

14 4/2/2010 ATM deposit whitestown 4/2/2010 Jane Smith \$1,400.00

15 4/5/2010 ATM deposit whitestown

16 4/6/2010 ATM deposit whitestown

17 4/8/2010 Payroll

18 4/8/2010 Payroll

19 4/12/2010 ATM deposit whitestown 4/9/2010 \$1,500.00

20 4/16/2010 ATM deposit whitestown 4/16/2010 \$450.00

21 4/21/2010 deposit 4/21/2010 \$500.00

22 4/21/2010 ATM deposit whitestown

23 4/22/2010 Payroll

24 4/26/2010 ATM deposit whitestown 4/26/2010 ne/Acct 0001 \$200.00

25 4/26/2010 ATM deposit whitestown 3/5/2010 \$0.30

26 4/26/2010 ATM deposit whitestown 462137 \$0.30

27 4/28/2010 ATM deposit whitestown \$1,600.00 2062 4/28/2010 ct 1 \$1,600.00

28 5/3/2010 atm deposit utica business park \$500.00

29 5/6/2010 Payroll \$259.09

30 5/18/2010 ATM deposit whitestown \$450.00 2064 5/18/2010 ct 1 \$450.00

31 5/19/2010 ATM deposit whitestown \$500.00

32 5/20/2010 deposit \$1,000.00 5/20/2010 \$1,000.00

33 5/24/2010 ATM deposit whitestown \$400.00

34 5/27/2010 ATM deposit whitestown \$1,600.00 2065 5/27/2010 ct 1 \$1,600.00

35 5/27/2010 transfer from chk 6708 \$1,000.00

36 5/30/2010 ATM deposit whitestown \$450.00 2066 5/30/2010 Jane Smith HSBC/Acct 1 \$450.00

37 5/30/2010 ATM deposit whitestown \$300.00

38 5/30/2010 ATM deposit whitestown \$40.00

39 5/30/2010 ATM deposit New Hartford \$100.00

40 5/30/2010 ATM deposit utica business park \$400.00

41 5/30/2010 ATM deposit whitestown \$100.00 \$6,340.00

Deposit Summary | jcr worksheet | Income recap | Payments | BS- 2nd victim | Summary Acct #123456 | Account 2 | Account 3 | 2nd Victim acct | Cancelled Chk

Ready

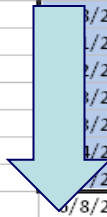
Sum=\$40,660,426.31

NUM

Large even amount deposit

The deposit summary view to calculate the perpetrators income from known and unknown sources.

Deposit tickets provided detail on other accounts of perpetrator.



Source of Income	2007	2008	2009	1/2010 - 7/2010	Total
Adecco Payroll	\$9,250.62	\$9,534.29	\$651.12	\$0.00	\$19,436.03
AT&T Payroll	\$45,740.93	\$0.00			\$120,551.53
Bryant	\$0.00	\$0.00			\$500.00
Perp's Payroll	\$10,020.78	\$12,339.07			\$35,199.34
FIRST GREAT WEST Life & Annuity		\$3,563.00			\$3,563.00
Harley Davidson		\$4.17			\$8.81
Humpf Sanitation					\$89.16
Interest Earned					\$15.20
Victim 2					\$257,580.30
Orchard Trust Co., LLC	\$0.00	\$0.00			\$5,100.00
PayPal	\$500.00	\$0.00			\$500.00
Victim 1	\$1,563.06	\$13,054.39	\$36,422.50	\$1,276.67	\$54,316.82
Putnam Investments Distribution Fund	\$0.00	\$35.74	\$0.00	\$0.00	\$35.74
Personal (CAPITAL ONE)	\$0.00	\$0.00			\$5,000.00
Staples	\$50.00	\$0.00			\$50.00
Casino, LLC	\$0.00	\$0.00			\$55,000.00
United States Treasury	\$440.00	\$1,200.00			\$1,640.00
Verizon Wireless	\$50.00	\$50.00			\$100.00
Walter	\$100.00	\$200.00			\$300.00
Total Income Known Sources	\$155,701.67	\$147,603.00			\$562,339.05
Cash				\$62,000.00	\$124,110.00
*TBD (to be determined)				\$94,490.49	\$247,175.04
Total Income Unknown Sources				\$156,490.49	\$371,285.04
Total				\$237,614.14	\$933,624.09

Source of Income (AKA net worth calculation)

\$257K directly deposited from victim 2 account

54K directly

Winnings from a casino from victim 1 account

The net worth analysis generated from the personal and corporate bank statements provided the potential fraud\$!

Investigation & Analysis Next Step...

WHERE DID THE CASH COME FROM?



Source of Income					Total
Adecco Payroll					\$19,436.03
AT&T Payroll					\$120,551.53
Bryant					\$500.00
Perp's Payroll					\$35,199.34
FIRST GREAT WEST Life & Annuity					\$3,563.00
Harley Davidson					\$8.81
Humpf Sanitation					\$89.16
Interest Earned	\$0.98	\$1.83	\$2.58		\$5.22
Victim 2	\$85,825.00	\$106,750.00	\$50,030.30	\$14,975.00	\$257,580.30
Orchard Trust Co., LLC	\$0.00	\$0.00	\$5,100.00	\$0.00	\$5,100.00
PayPal	\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
Victim 1	\$1,563.06	\$0.00	\$0.00	\$0.00	\$1,563.06
Putnam Investments Distribution Fund	\$0.00				\$35.74
Personal (CAPITAL ONE)	\$0.00				\$5,000.00
Staples	\$50.00				\$50.00
Casino, LLC	\$0.00				\$55,000.00
United States Treasury	\$440.00				\$1,640.00
Verizon Wireless	\$50.00				\$100.00
Walter	\$100.00				\$300.00
Total Income Known Sources	\$155,701.67	\$147,603.00	\$177,910.88	\$123.65	\$562,339.05
Cash	\$41,160.00	\$18,150.00	\$2,800.00	\$62,000.00	\$124,110.00
*TBD (to be determined)	\$4,837.15	\$38,103.12	\$109,744.28	\$94,490.55	\$247,175.04
Total Income Unknown Sources	\$45,997.15	\$56,253.12	\$112,544.28	\$156,490.55	\$371,285.04
Total	\$201,698.82	\$203,856.12	\$290,455.01	\$237,614.14	\$933,624.09

\$257,580.30 was embezzled simply by writing checks, endorsing & depositing checks into her personal bank account

The next step was to trace the source of cash & unknown income.

Next Step.....

- **Contact the Victim for business documents (ledgers, cancelled checks & supporting documentation).**
- **Perpetrator had issued instructions to the bank to stop sending the copies of cancelled checks.**
- **Subpoena issued to victims bank for all bank records.**

Next Steps...

- **Receipt of bank records.**
- **Compared bank records against ledgers.**
- **Discovered perpetrator falsified the business records.**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1									1120	\$118.00								
2									1120	\$102.87								
3	DATE	PAYABLE TO:	Chart of Accounts	Check Number	\$ AMOUNT				1120.000	\$314.00								
4	3/1	Waste Management	5300	2883	\$212.64				2400.010	\$8,252.34								
5		Adelphia	5300	2884	\$94.85				2500.100	\$47,742.74								
6		Broadview Networks	5400	2885	\$206.69				4500.010	\$525.00								
7		Verizon	5400	2886	\$21.34				5300	\$212.64								
8		Rev. Robert Wollaber	5700	2887	\$100.00				5300	\$94.85								
9		FJ Pugliese	6700	2888	\$26.00				5300	\$377.01								
10		Rome Plumbing & Heating	6000	2889	\$92.61				5300	\$1,703.64								
11		Home Depot	6000	2890	\$255.38				5300	\$1,493.26								
12		Cash	1120	2891														
13		US Post Office	7100	2892														
14	3/8	The St Paul	5500	2893														
15	3/4	G5 Engraving	5600	2894														
16		Neighbor Care	6300	2895														
17		All Season	6000	2896														
18		Void		2897														
19		AAA Pic & Pay	6000	2898														
20		US Food Service	6200	2899														
21		Kingsley Power	6700	2900														
22		AA Pic & Pay	6000	2901														
23		Cavo Builders	6000	2902														
24		Clifford Fuel	6400	2903														
25	3/8	Rev. Robert Wollaber	5700	2904														
26		Otis Elevator	6700	2905														
27	3/10	Trustees of the Eastern Star	2500.10	2906														
28	3/10	Haylor Freyer & Coon	5500	2907	\$20,398.58				6000	\$48.00								
29	3/10	MVWA	5300	2908	\$377.01				6000	\$7.50								
30	3/12	Barb Traver	5600	2909	\$30.82				6000	\$330.94								
31	3/15	Cash	6600	2910	\$100.00				6000	\$66.81								
32	3/18	Broadway Theatre League	4500.010	2911	\$525.00				6000	\$291.57								
33	3/15	Eastern Star Nursing Home	1120	2912	\$102.87				6000	\$224.11								
34	3/18	House of Vacuums	6200	2913	\$38.94				6200	\$292.60								
35	3/18	FJ Pugliese	6700	2914	\$26.00				6200	\$38.94								
36	3/18	Viking Office Supplies	5600	2915	\$59.03				6200	\$11.98								
37	3/22	Nancy Flack	5600	2916	\$29.00				6200	\$171.04								
38	3/23	Viking Office	5600	2917	\$21.34				6300	\$7.98								
39	3/23	House of Vacuums	6200	2918	\$11.98				6300	\$146.77								
40	3/23	Home Depot	6000	2919	\$291.57				6400	\$82.00								
41	3/23	Statewide Machinery	6000	2920	\$224.11				6500	\$13.76								
42	3/23	Kingsley Power	6700	2921	\$102.81				6600	\$100.00								
43	3/23	US Food Service	6200	2922	\$171.04				6700	\$26.00								
44	3/23	Crest Healthcare Supplies	6300	2923	\$146.77				6700	\$255.00								

What was discovered was that the perpetrator falsified the distribution journals to cover up the misappropriation of assets!

Memorandum of Findings (AKA Fraud Examination Report)

- **The Memorandum of Findings is the report that contains the significant information from the analysis.**
- **The Memorandum of Findings contain:**
 - **Background & Approach**
 - **Results**
 - **Analysis**
 - **Recommendations**
 - **Limitations & Notes of Interest**

Memorandum of Findings.. The results

- **Falsified business documents concealing actual checks payable of \$670,878.59, over a three year period.**
- **Perpetrator wrote checks payable to cash from victims bank account and cashed for cash.**
- **Perpetrator wrote checks payable to self from victims bank account and deposited into her accounts.**
- **Perpetrator wrote checks payable to a client of victim. Then subsequently took control of that victims bank accounts (legal guardian) and wrote checks payable to self and deposited.**
- **Perpetrator wrote checks payable to various vendors (including ghost vendors), she endorsed and deposited.**

Method

- **Abused her position of trust, bookkeeper.**
- **Duties as bookkeeper included the responsibility of maintaining the business records and generating checks for payment for Accounts Payable.**
- **Circumvented company procedures including; generating unauthorized and/or forged accounts payable checks and entering fraudulent details of those transactions onto the Cash Disbursements log.**
- **Generated unauthorized and forged victim checks that were made payable to herself, family members, cash and misc. vendors.**

Method

- **The Controller reviewed bank statements which did not have the check detail.**
- **It was discovered that perpetrator generated checks payable to vendors and fictitious vendors and cashed checks for cash for her personal financial gain.**
- **The falsification pertaining to the Disbursements Log included falsifying the name of the pay to the order of and the general ledger chart of accounts code. For example on Oct 24, 2008 check # 5973 was generated to perpetrator whereas the Cash Disbursements Log Payable entry was to: JC Penney.**

Questions

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Student Fraud Project: Forensic Analysis of Personal and Corporate Bank Statements

**Economic Crime and the Online World
22nd Annual ECI Conference
November 2, 2011**

Bernard Hyman Jr., Esq.
(315) 798-5766
bhyman@ocgov.net

Jacqueline Romano, CFE
(315) 736-0037
jackiecromano@gmail.com