

FORO NACIONAL | 2024 SOBRE FRAUDE Y CORRUPCIÓN

Technical Program



Instituto Mexicano de
Auditores Internos, A.C.

40 Years Elevating Impact

Introduction

Dear colleagues, friends, and professionals:

As part of the grand celebration of our Institute's XL Anniversary, this 2024 IIA-Mexico presents the National Forum on Fraud and Corruption, a fundamental event that will bring together the most prominent global leaders of today in the fight against fraud, corruption and their associated phenomena.

The Forum will take place on Friday, October 25, following our National Conference of Internal Auditors on October 23 & 24.

Topics to be addressed at the Forum include the most common and harmful schemes in the digital age and affecting organizations of all sectors and sizes, and the increasing risks in associated factors such as: Talent and Teams, Continuous Auditing, Data Analytics, Generative Artificial Intelligence, RPA, Collaborative Culture, ChatGPT, Benford's Law, among others.

If you are unable to attend the Forum in person, don't worry. By registering virtually, you can attend the event in real-time from any location, and connect with friends and colleagues at the virtual networking room of our platform, in which all in-person and virtual participants are logged in.

Additionally, all materials and the recorded videos of each conference (with the option of original or translated audio, and subtitles in your preferred language) will be accessible to you for a full month after the Forum, so that you can visualize them as many times as you wish, at your own pace, and at the most convenient times according to your schedule.

Let's meet on Friday, October 25th, at the National Forum on Fraud and Corruption 2024 and continue building effective barriers against corruption and fraud, based on an objective, competent and professional perspective.

Instituto Mexicano de Auditores Internos, A.C. / IIA-Mexico

More information and registration:

<https://encuentronacional.com.mx/portal/>

Email: encuentronacional@imai.org.mx

AGENDA

Friday, October 25, 2024

Confirmed In-Person Speakers

CDMX TIME	SPEAKER	SESSION	TOPIC
08:55 - 09:00	Inaugural Message		
09:00 - 09:55	 <p>John Warren, J.D., CFE Executive Director of the Association of Certified Fraud Examiners, ACFE.</p>	The ACFE's Report to the Nations 2024 – A global overview on the threat of occupational fraud and corruption.	Global Fraud Overview
09:55 - 10:50	 <p>Silvia Tapia Navarro Chief Audit Executive - HSBC Latin America</p>	Fraud Risks in the Digital Age	Overview of Fraud in Mexico and Latin America
10:50 - 11:05	BREAK 1 (Virtual Expo and Interaction between participants)		
11:05 - 13:00	 <p>Mark J. Nigrini Member of the Faculty of Accounting, and of Business and Economics, at the University from West Virginia</p>	The Fingerprints of Fraud	Fraud and New Technologies
13:00 - 14:15	FREE TIME - BREAK 2 (Food, Virtual Expo and Interaction between participants)		
14:15 - 15:10	 <p>Peter Warmka, CFE, CPP Founder of the Institute of Counterintelligence</p>	Artificial Intelligence and Fraud: The Problem, the Solution, or Both?	Artificial Intelligence and Fraud
15:10 - 16:05	 <p>Patrice Poitevin Co-founder and Executive Director of the Canadian Anti-Corruption Centre of Excellence</p>	Ethics, Compliance and Anti-Fraud Strategies in Today's Changing Environment	Ethics and Compliance in Today's Environment
16:05 - 16:20	BREAK 3 (Virtual Expo and Interaction between participants)		
16:20 - 17:15	 <p>Jeffrey G. Matthews, CPA, CFE Accountant and Forensic Expert, Author, Professor, International Lecturer</p>	Fraud Risk Management for Suppliers and External Service Providers	Procurement Fraud
17:15 - 18:10	 <p>Cynthia Hetherington CFE, OSC CEO, Hetherington Group</p>	Open Source Intelligence (OSINT) for Fraud Prevention and Investigation	New Prevention and Detection Strategies

FORO  **2024**
NACIONAL **SOBRE FRAUDE**
Y CORRUPCIÓN

Speakers and Conferences





John Warren, J.D.

BIOGRAPHY

He is the Executive Director of ACFE International, as well as an advisor to its Board of Regents and a member of the Board of Directors of the Foundation.

ACFE is a global organization that brings together more than 90,000 members in hundreds of international chapters, specializing in promoting integrity, objectivity, and professionalism in organizations, generating technical knowledge and specialized methodologies against fraud and corruption.

John is responsible for establishing the Association's strategic vision and implementing initiatives to develop knowledge, increase global membership, improve preventive techniques, and elevate the competencies of professionals. Before becoming the Executive Director, Warren served as the organization's Chief Strategy Officer. In 2004, he was appointed General Counsel, a position he held until 2022.

He is also the co-author of the ACFE's Report to the Nations, the biennial study on schemes, costs, and effects of occupational fraud globally. He also serves as an advisory representative of the ACFE Research Institute, a multidisciplinary academic center dedicated to developing and supporting anti-fraud and anti-corruption research.



Global Fraud Overview

The ACFE's Report to the Nations 2024 – A global overview on the threat of occupational fraud and corruption.

The 2024 Report to the Nations is the thirteenth edition of the most extensive and comprehensive global study on the schemes, costs, and effects of fraud and corruption, as well as on the best techniques and controls to prevent and detect these widespread and harmful phenomena.

The analysis of the current edition, together with previous editions, makes it clear that fraud and corruption are likely the largest and most costly forms of financial crimes in the world, with annual costs running into billions of dollars.

These transgressions are a global threat to all types of public and private organizations, and their recurrence is a clear reminder of the value and necessity of our work. We must understand all aspects involved: how much it costs, how it is committed, who commits it, and how it can be prevented and detected.

In this conference led by the Executive Director of the ACFE, participants will reinforce the following key learning points:

- Understand the main conclusions of the 2024 Report to the Nations, which summarizes data from nearly 2,000 cases reported by Certified Fraud Examiners (CFEs) worldwide.
- Learn about the financial costs suffered by organizations due to fraud and corruption, and the historical trends recorded so far.
- Learn to use the Report's data to compare and strengthen Anti-Fraud and Integrity Programs, as well as improve risk assessment.
- Explore the controls and methodologies that most frequently and effectively prevent and detect these threats, and what organizations can do to optimize their whistleblower programs.
- Understand the impact that anti-fraud and anti-corruption controls have in limiting losses and reducing incidents.



Mark J. Nigrini

BIOGRAPHY

Professor at West Virginia University and a passionate and globally recognized researcher of the phenomenon known as Benford's Law, which has proven to be a valuable theoretical and practical tool for auditors and compliance and control officers to prevent and identify fraud in corporate and organizational data.

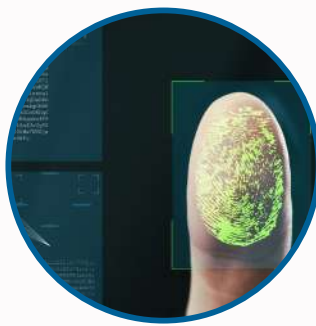
His current research focuses on high-level work and analysis on Benford's Law, corruption and corporate fraud, the use of data analytics in forensic accounting, and the detection of internal threats.

He is the author of the classic book *Forensic Analytics*, which describes the analytical tests used to detect fraud, errors, estimates, and biases in financial data, as well as the deep applicability of Benford's Law.

In 2014, he published an article in the *Journal of Accountancy*, co-authored with Nathan Mueller, a fraudster imprisoned in a U.S. federal prison. That article won the Lawler Award for the best article of 2014.

His work and collaborations have appeared in *The Financial Times*, *The New York Times*, and *The Wall Street Journal*, and he has published numerous articles on Benford's Law in academic journals and professional publications, including the *Journal of Accounting, Auditing, and Finance*; *Auditing: A Journal of Practice and Theory*, and the *Journal of Forensic Accounting Research*.

His radio interviews have included prestigious global media such as the BBC in London and NPR in the United States. He is a regular speaker at ACFE Global Conferences and multiple professional workshops for accountants, auditors, and compliance officers.



Fraud and New Technologies

“The Fingerprints of Fraud”

This informative and entertaining lecture analyzes the fingerprints present in fraudulent numbers and figures.

Fraudsters must invent a series of financial amounts to carry out their crimes. Mark's research, using court records and other public documents, shows that the amounts used by fraudsters and the corrupt share common characteristics that should be comprehensively analyzed and can timely alert professionals.

In the presentation, these fingerprints will be reviewed using real examples. The cases will include Harriette Walters' \$48 million fraud against the District of Columbia and the round numbers used in a fraud against United Savings Bank.

Other examples will include the threshold campaign expenses of Congressman George Santos, non-Benford amounts, and abnormally duplicated amounts. The evident warning signs in Michelle Higson's two "petty cash" fraud schemes will also surprise.

Additionally, Elizabeth Holmes' Theranos fraud scheme will be analyzed, as well as the over \$22 million procurement card fraud scheme associated with the Jacksonville Jaguars NFL team, and other hidden meanings in Elon Musk's negotiated figures.

Attendees will receive a free Excel file for the demonstrative and practical application of Benford's Law.



Cynthia Hetherington

CFE, OSC

BIOGRAPHY

Cynthia Hetherington has over 25 years of experience in academic research, forensic investigations, and corporate intelligence development. She is the founder of Hetherington Group, a consulting, publishing, and training firm focused on intelligence, security, and investigations.

Cynthia was named the 2012 James Baker Speaker of the Year by the ACFE. She is also a widely published author, with three edited books and multiple publications on background investigations, due diligence, and public records references.

She is the editor of Data2know.com: Internet & Online Intelligence Newsletter and the author of articles on open-source intelligence gathering, forensic computing, Internet investigations, and other security-focused publications. She is also recognized for providing training on online intelligence practices to corporate security officers, military intelligence units, and federal, state, and local agencies.

In 2015, Cynthia founded the OSMOSIS Institute, the organization that hosts the annual OSMOSIS Conference, which provides knowledge on Open Source Intelligence (OSINT) and specialized investigation training through a network of North America's most recognized open-source experts.



New Prevention and Detection Strategies

“Open Source Intelligence (OSINT) for Fraud Prevention and Investigation”

In today's dynamic and interconnected world, the scope and complexity of national and international operations demand robust due diligence to mitigate operational, financial, and reputational risks. This conference is designed for anti-fraud professionals, internal auditors, and compliance professionals, focusing on the application of Open Source Intelligence (OSINT) to enhance due diligence with domestic and international third parties and partners.

In this session, Cynthia will combine theoretical knowledge with practical exercises, designed to equip participants with the necessary skills to uncover and interpret potential fraud indicators and other risks that could affect the organization and its clients.

Real-world scenarios will be explored to understand the nuances of national and international due diligence, with a positive impact on compliance, sustainability, accountability, social responsibility, and the prevention of corruption and fraud. At the end of the presentation, participants will reinforce the following key learning points:

- Development of skills in advanced OSINT techniques: using corporate databases, social networks, and other digital realms to thoroughly examine vendors, suppliers of goods, service providers, and other national and international third parties to identify potential risks.
- Techniques for obtaining elusive information: introducing methods to obtain critical information about national and international organizations and individuals that typically evade standard search strategies.
- Practical navigation of complex data sources: hands-on experience exploring public records, documents, legal records, and other pertinent databases, emphasizing regulatory environments and commonly available information sources in Latin America.

This session aims to enhance the competence of professionals in evaluating due diligence at the national and cross-border levels, ensuring a higher level of prevention, compliance, and assurance.



Peter Warmka

CFE, CPP

BIOGRAPHY

Peter Warmka is a former senior intelligence officer with the United States Central Intelligence Agency (CIA), specializing in the clandestine collection of Human Intelligence (HUMINT).

Following his career at the CIA, Mr. Warmka has made it his personal mission to help institutions and public agencies, NGOs, large corporations, academic institutions, and organizations in general to understand and effectively combat the growing threat of security breaches resulting from the clever manipulation of insiders to steal and misuse proprietary information and personal data.

Peter is a Certified Fraud Examiner (CFE) and a Certified Protection Professional (CPP). He is a certified instructor at CIA-U and an adjunct professor at Webster University, where he lectures on social engineering, intelligence, and counterintelligence in the Master's program in Cybersecurity.

He is the author of numerous articles for publications specializing in security and fraud and has presented these topics at various global conferences with great acceptance and recognition.



Artificial Intelligence and Fraud

Artificial Intelligence and Fraud: The Problem, the Solution, or Both?

Artificial intelligence (AI) has brought great benefits to all types of organizations, but at the same time, it has become a steroid for fraudsters, helping them carry out a variety of novel and financially devastating schemes.

Tools like OpenAI are used daily to gather large amounts of personal information from victims on all kinds of computing platforms. FraudGPT enables fraudsters to design elaborate schemes and enhanced narratives using emails, text messages, and fake profiles, incorporating language that is seemingly professional, yet seductive and manipulative.

Thus, biometric and voice cloning have led to identity thefts causing billions of dollars in losses to organizations and individuals worldwide. However, various technologies for detecting AI forgeries are already in development or available. Throughout this session, participants will achieve the following learning objectives:

- Discover how fraudsters leverage artificial intelligence to carry out the most common and advanced social engineering attacks.
- Identify various AI tools used to help prevent and detect fraud within organizations.
- Analyze the most convenient AI technology tools in development or available for detecting deepfakes (false data generated by deep learning technology).
- Identify best practices that individuals and organizations can implement to protect themselves from AI-driven fraud.



Jeffrey G Matthews

CPA, CFE

BIOGRAPHY

Forensic Accountant, Author, Professor, International Speaker

Jeffrey G. Matthews has 30 years of experience in audits and anti-fraud investigations, resulting in countless savings for organizations, not only in monetary terms but also in compliance and reputation.

Currently, he is a partner in the Forensic Accounting and Commercial Damages practice at the global consulting firm HKA Global. He is also a member of the faculty of the Association of Certified Fraud Examiners (ACFE).

In 2013, he was named Certified Fraud Examiner (CFE) of the Year by ACFE International, and in 2024, he was recognized by Who's Who Legal as one of the leading experts in investigation and consulting within the sector.

Jeff was appointed as the expert anti-fraud investigator in litigation involving two of the largest financial institutions in the world, including allegations of theft, inflated asset values, and improper investments, among others. He also calculated damages for breach of contract, breach of fiduciary duty, and misappropriation of trade secrets as the Specialist Accountant appointed by the U.S. Federal Bankruptcy Court.

In addition to his professional activities, Jeff teaches Fraud Investigations at the University of Texas at Arlington, in the master's level forensic accounting program, through specialized courses of his own design.

In 2019, Wiley published Jeff's autobiography and forensic accounting book titled "Holding Accountants Accountable," in which he provides a detailed review of forensic accounting, and introduces practical advice and lessons learned for identifying and preventing irregularities and unethical behavior.



Procurement Fraud

Fraud Risk Management for Suppliers and External Service Providers

Organizations often rely on suppliers, service providers, specialized agents, and other third parties to obtain inputs that enable operational and institutional functions. This is an effective and cost-efficient solution, but it is not without risks, some of which can have very significant and even catastrophic consequences.

These risks not only involve financial losses but also pose operational, legal, and compliance threats, with direct and critical impacts on reputation and medium- to long-term sustainability. Risks can be exacerbated by limited transparency of suppliers' internal controls and lack of direct access to evidence of possible illicit payments, misconduct, or malpractice.

In this session, Professor Matthews will share best practices for institutions to proactively identify and monitor risks, addressing the most common schemes in today's era of technological disruptions and continuously changing dynamic environments.

Through the analysis of practical cases and lessons learned, participants will reinforce the following key learning points:

- **Due Diligence:** Best practices for the onboarding and engagement of third parties in the organization's operations, and relevant improvements in the drafting and oversight of respective contracts.
- **Audits of Relevant Parties:** Models, techniques, procedures, and practical advice for planning and executing strategic audits of third parties relevant to the organization.
- **Continuous Monitoring:** Proactive and ongoing measures to significantly mitigate risk exposure.

The incorporation of controls and audit techniques specifically designed to protect against third-party risks in key areas such as procurement, leasing, and services is essential to safeguard the reputation, financial stability, and sustainability of public, private, and social sector organizations.

This session offers the best practices in the field, led by one of the world's most prominent specialists in this area.



Patrice Poitevin

BIOGRAPHY

Patrice Poitevin is the co-founder and executive director of the non-profit organization Canadian Centre of Excellence for Anti-Corruption, as well as the executive director of the Active Compliance and Ethics Group.

He is a 35-year veteran of the Royal Canadian Mounted Police, from which he retired in October 2017, serving as an anti-corruption and compliance expert. Throughout his career, he has contributed to multiple investigations of organized crime and white-collar crime at an international level.

He has shared his experience and knowledge as an advisor to the Trade Commissioner Service (TCS) of Global Affairs Canada (GAC) and international NGOs. He was part of the Canadian Project Committees involved in the development of ISO 37001 and ISO 37002 standards.

He has worked on research and consultation projects with UNODC, IMF, OECD, various G20 Working Groups, and other international organizations. He has professionally contributed to multiple public and private organizations to enhance their ability to prevent, detect, and mitigate risks associated with financial crimes, and structurally improve the ethical and compliance foundations of organizations.



Ethics and Compliance in Today's Environment

“Ethics, Compliance and Anti-Fraud Strategies in Today's Changing Environment”

This session will provide an overview of the evolving global risk landscape, which has become even more complex with the advent of advanced technologies such as AI. It will highlight the crucial need for auditors to adopt comprehensive Ethics and Compliance (E&C) practices. The discussion will focus on how the integration of AI and data analytics not only counteracts emerging threats but also significantly enhances risk assessment and management.

Through a unified E&C approach, auditors are equipped to prevent, detect, and mitigate risks more efficiently, thereby driving return on investment through better compliance and risk management.

Session Objectives:

- Understand the evolving risk landscape, particularly the challenges introduced by AI technologies.
- Explore the benefits and integration of AI and data analytics in auditing to improve risk assessment and mitigation.
- Learn strategies to leverage technology within E&C frameworks to reinforce audit effectiveness.
- Illustrate how the effective integration of E&C, driven by AI and analytics, contributes to return on investment by deepening the impact and materiality of risks, and by enhancing the organization's ability to manage them collaboratively.