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CPAs

FOCUS ON SUCCESS





LOCAL STUDENTS SEEKING ACCOUNTING OPPORTUNITIES VISIT TMD

We recently welcomed area students participating in the Career Opportunities in the Accounting Profession (COAP) summer program to our offices. The students toured The Foundry, participated in a Q&A forum and played an interactive game on dressing for success. The free program encourages minority students to explore careers in accounting. It was attended by students from nine high schools in Onondaga County and included accounting professionals from firms throughout Syracuse. COAP is sponsored by the New York State Society of Certified Public Accountants.



TMD TAKES ON THE CORPORATE CHALLENGE

Team TMD joined nearly 7,000 Central New Yorkers in the annual Chase Corporate Challenge at Onondaga Lake Park. Thanks to our clients for stopping by the TMD tent to say “hello”.

A WILD TIME ♦ We enjoyed supporting the Utica Zoo's recent Wine in the Wilderness event. Each year we look forward to great samplings from local caterers, fun music and, this year, the excellent selection of New York State wines.



PROMOTING BROOME COUNTY ♦ TMD was honored to help Broome County promote the strength of the community and unique characteristics that make it such a great place to live, work, learn and play as a supporter of the Legislative Gazette's recent Special Report on the area.



Save the dates!

TMD is a proud sponsor of a special performance of the Marcus Roberts Trio (MRT) at the upcoming Skaneateles Festival. MRT will headline on August 27th at Brook Farm. The trio will also offer educational music sessions for children at the Everson Museum and for patients and families at Upstate Golisano Children's Hospital.



The festival runs from August 8th through September 3rd at venues around Skaneateles. For more information, visit skanfest.org.

Profiling a Fraudster

It's been said, "you can't judge a book by its cover". Or can you?

The Association of Certified Fraud Examiners (ACFE) recently released its 2010 Report to the Nations on Occupational Fraud & Abuse, based on data compiled from more than 1,800 cases of occupational fraud reported by the Certified Fraud Examiners (CFE) who investigated the cases. If you look between the lines within those pages, you can find the hidden profile of a fraudster.

The report revealed these common characteristics of a fraudster:

- They are likely to be males aged 31-45 years-old. Males are 33% more likely to commit fraud — especially at the manager/senior executive level and owner/top-end executive level.

- A fraudster is more than likely to be a "loner". In two-thirds of the fraud schemes covered in the report, the fraudster acted alone.
 - A 55% majority of the fraudsters attended college or graduated college. And approximately 14% obtained a post-graduate degree. The report findings demonstrated that the median loss of fraud increases as the level of education increases.
 - The report found that more than half the employees who committed fraud had 5+ years experience at their jobs. The median loss increases as the number of years with an employer increases.
 - The typical fraudster is an employee living beyond their means, struggling financially or known to have an addictive personality. The report found that employees who committed fraud were living beyond their means in 43% of the cases and experiencing financial difficulties in 36% of the cases.
 - An employee who commits fraud usually works in the following departments of an organization: accounting, operations, sales, customer service, upper management and purchasing. The most common department where fraud occurred was the accounting department where employees had easier access to documents to conceal fraud.
 - 93% of the employees who committed fraud had no prior criminal record. Many employers don't want the publicity of an arrest of an employee who handles money or had access to someone's personal information so they don't pursue prosecution. This is especially true in the non-profit sector.
- In my years of fraud investigation experience, I've noted that a significant majority of the fraudsters were trusted employees — in two cases, owners' family members. These employees usually work for small companies without accounting departments. The owner puts his/her trust in one specific employee and under the right social pressures or circumstances, the

employee has taken advantage of that trust. Please note that these signs do not necessarily signify that an employee is committing fraud or will in the future.

BY JOHN DUBIEL, CPA, CFF, CFE, CVA ■ *John is a partner in our Audit Practice Group and certified in financial forensics and as a fraud examiner and valuation analyst. His practice areas include fraud detection and prevention, and evaluation of enterprise internal controls. He provides audit and review services for closely held corporations and family-owned businesses in the retail and manufacturing industries.*



**TMD PARTNERS ARE DELEGATES TO
CPAMERICA INTERNATIONAL CONFERENCE**



FRANK DISCENZA, Managing Partner; DAVID MOYNIHAN, Partner; and GAIL KINSELLA, Partner, were delegates to the CPAmerica International 2011 Accounting and Audit Conference held recently in Las Vegas.



The national conference brought together CPAs from around the United States for networking and training.

The conference is sponsored by CPAmerica International, an exclusive association of major accounting firms of which TMD is a member. Discenza serves on its board of directors.



SUMMER HOURS ♦ From August 5th to September 2nd, TMD's offices will close at noon every Friday. If you have any questions regarding upcoming appointments, please contact our office.

SAVE A TREE ♦ If you would prefer to receive your newsletter via email, simply send a blank email that says "Email the TMD News to me" in the subject line to kpeckham@tmdcpas.com. Thank you!



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