

The Future of Fraud: Scenarios, Prevention, Detection, and Investigation

From the lens of an Internal Auditor and Certified Fraud Examiner

March 8, 2022



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Agenda

- Future Fraud Scenarios
 - The Insider
 - Online Sales Fraud
 - Phishing & Ransomware – New & Improved
 - Crypto Currency Scams
 - Love Actually
 - Digital Elder Abuse

- Coming Soon - Future Fraud Scenarios
 - Autonomous Vehicles
 - Drones

- Q & A



Online sellers will lose \$130 billion to online payment fraud between 2018 and 2023, and 17% of all global sales will be online.

Juniper Research



If a board or leaders do not accept what is possible,
they will probably not prevent it from happening



The Insider



Privacy Breaches

Stolen Confidential Information

Ransomware

Denial of Service

Bid Rigging

Cash Misappropriation

Prevention & Detection

- **Prevention:** Background checks for all new employees
- **Prevention:** Data Governance and Management Program that isolates all privacy data to a secure drive and system. Limited access granted to privacy information
- **Prevention:** Training that clarifies what is privacy information and that copying is against the code of conduct
- **Detection:** Alerts when privacy data is accessed, when, and by who
- **Detection:** Tips from and employee who witnesses wrongful access to privacy information

Investigation

- **Data:** Logs showing who access privacy data and when
- **Interview:** Determine if someone may have stolen someone's user name and password
- **Email Scan:** Identify if an internal email or other system was used to send data outside the office
- **External Authorities:** Determine if privacy data appears on the dark web or online

Average Darknet prices for your personal information:

\$259.56

bank account

\$250.05

debit card numbers

\$42.38

PayPal account

\$33.88

credit card

\$27.62

driver's license

\$18.45

passport

Source: Reviews.org

Online Sales Fraud



Prevention & Detection

- **Prevention:** Buyer beware
- **Prevention:** Contact vendor to confirm who are trusted sellers
- **Prevention:** Use credit card that protects against bad purchases
- **Detection:** Nothing received after purchase made

Investigation

- **Contact Seller:** Confirm vendor is a fraudulent and inform police
- **External Authorities:** File a complaint or charges

A hand is shown hovering over a smartphone. The hand and the phone are illuminated with a green glow. The phone's screen is dark, but there are several horizontal green light trails or reflections on the surface, suggesting movement or data flow. The background is dark, making the green light stand out.

Phishing & Ransomware New and Improved

Prevention & Detection

- **Prevention:** Background check on all new employees
- **Prevention:** Limited user access rights
- **Prevention:** Anti-Virus Scan
- **Prevention:** Training
- **Detection:** Alerts when ransomware detected
- **Detection:** Tips from and employee who suspects wrong doing

Investigation

- **System Security:** Scan all files potentially impacted by ransomware
- **Network Activity Scan:** Assess file activity before ransomware was detected
- **Interview:** Determine if those who had access intentionally or unintentionally injected ransomware into system
- **External Authorities:** Provide evidence and formal charges if able



Crypto Currency Scams

US FTC identified 7000 people defrauded up to \$80M US\$ from Oct. 2020 – Mar. 2021

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Love Actually



CYBER CRIME

CYBER CRIME

CYBER CRIME

Digital Elder Abuse

Autonomous Vehicles



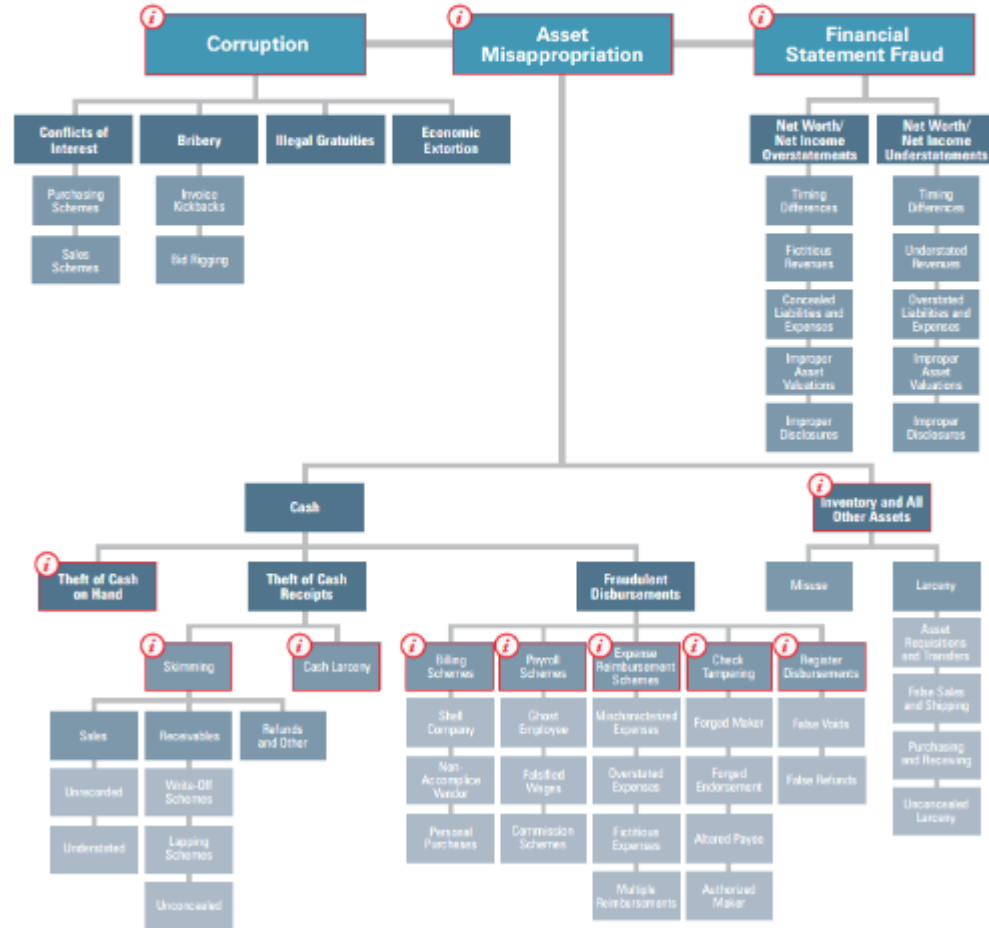
Drones



THE FRAUD TREE

OCCUPATIONAL FRAUD AND ABUSE CLASSIFICATION SYSTEM

Click on occupational fraud categories below with the icon to view definitions and statistical information from the ACFE's 2016 *Report to the Nations on Occupational Fraud and Abuse*.



Q&A





Thank You!

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