

Understanding Fraud and Fraudsters

The key to Effective Compliance, AML & Governance Programs

JONATHAN E. TURNER CFE
CHIEF COMPLIANCE & PRIVACY OFFICER
ZOLL MEDICAL
J.TURNER@ZOLL.COM

1

Fraudsters are different

- Embedded Video

2

They see a Different Path



- Embedded Video

3

Note the Pride Here ...



- Embedded Video

4

Introduction

- No matter what they are telling you, they are not telling you the whole truth
 - Todd's First Political Principle



5

Remember that Criminals Make Mistakes

- Embedded Video

6

What is Truth?

- Truth as a Constant
- Truth as a Variable
- Truth as a Perspective

- Never underestimate the overwhelming human urge to be truthful, no matter the lengths of self deception one must go through to reach that point!

7

Why Do People Lie?

- People Lie for two reasons:
 - To Avoid Punishments
 - To Receive a Reward

- When people talk, consider:
 - What punishment could they avoid
 - What reward could they obtain

8

They Cannot Stop Themselves ...

- Embedded Video

9

It is Who they Are

- Embedded Video

10

Language – Word Choices matter

- Given the Processing power of the human brain:
 - What did he say?
 - What words did he choose?
 - Why would he choose those words?
- The Shortest Distance
- Horses v. Zebras
- Follow the Deltas

11

George Carlin on Language

- Embedded Video

12

People Tell the Truth

- **Consider:**
 - If the Statement is truthful, what perspective does that require.
 - If a person has that perspective, what would make them go there?
 - Trust and respect the brain selecting the words, it will tell you the truth.

13

People Want to Tell You

- **The drive to answer truthfully is very strong:**
 - Overcoming it causes stress
 - ✦ Withholding causes stress
 - ✦ Embellishing causes stress
 - Stress Causes Physical Reactions
 - ✦ Fighting the urge to be honest means fighting yourself

14

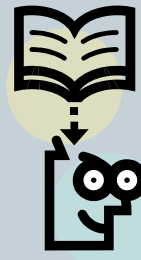
Non-Denial is not Denial

- Embedded Video

15

Words Have Meanings

- People select Specific words to convey specific meanings.
- Listen to word choice.
- Watch for changes in:
 - Title
 - Placement
 - Location
 - Tense



16

Watch Him as He Says This:

- Embedded Video

17

Active Listening

- In order to see you must first listen.
- Listening means:
 - Waiting Patiently
 - Hearing the Words
 - Considering their meaning
 - No rushing ahead
 - No Interruptions
 - No judgment

18

And Watch his Face Now...



- Embedded Video

19

What He Said versus When He Did It

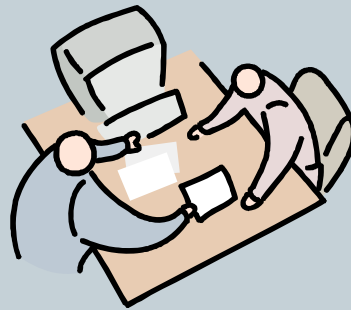


- Embedded Video

20

85/15 – Free Will is Fantasy

- Let the subject speak!
- Ask, wait, listen, respond ...
 - In that order



21

Just let Him Talk ...

- Embedded Video

22

Body Language Matters

- **Unspoken Communication**
 - 60-80% of all communication
 - Voluntary
 - Involuntary
 - ✦ Sigh, Snort, Laugh
 - ✦ Pound a Fist
 - ✦ Point a Finger
 - Can be a indicator of deception
 - Usually dependably honest

23

Watch what He Does!

- **Embedded Video**

24

Reading Body Language

- Look for changes
- Identify Patterns
- Consider type and area of question
 - Correlated to responses
- Trust your subconscious
 - Learn to see what it sees

25

He will Guide You

- Embedded Video

26

Eyes

- **Watch Eye Movements**
 - Looking at you v. looking away
 - Looking into Memory
 - Looking into Fantasy
 - Looking for a way out

27

The Eyes are the Window to the Soul

- **Embedded Video**

28

The Image You Project!

- Body Language is a two way street!
- What you see, you also display



29

It's the Little Movements that Matter Most

- Embedded Video

30

Interaction Alters Behavior

- **Your Actions matter**
 - Impacts the Subject
 - Alters the Subject
 - ✦ To Compliance
 - ✦ Away from Compliance

31

Your Actions Allow their Actions

- **Embedded Video**

32

Understanding Fraudsters



QUESTIONS & DISCUSSION