

**FRAUD DETECTION, INVESTIGATION, & RESOLUTION:
FINISHING THE JOB
INTERVIEWING: RETURN OF THE FRAUDSTERS**

A whole new cast of characters! Continuing where last year's standing-room-only presentation stopped, this skills-building session uses video clips of real fraudsters to develop interviewing excellence. No matter if you have extensive interviewing experience or none, this session will give you tools you can put to work in your next interview.

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INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

Of all the skills necessary in fraud examination, interviewing is the most important to develop, build, and maintain. Are other skills needed? Of course. Are other skills vital? Yes. But of the core skill sets used by fraud examiners—data analysis, computer forensics, mathematical verifications, document examination, deductive reasoning, patient research—all are vital, but none involve a fluid situation. The advantage that most fraud examinations have is the ability to look in the rearview mirror and see “what was.” It may be hidden, masked by reams of unrelated activity, or in plain sight, but the facts are the facts. But that is why interviewing is so important. Because until the interview occurs, neither side knows what the other is going to say, who will learn more, or what will happen. Career criminals crater. First timers cling to their alibi. And the difference is in the skill of the interviewer.

Understanding the Interview Process

Interviewing is like the art of Google searching people. It involves the use of specific phrases, words, and questions to elicit the required information. And like Google searching, interviewing requires listening to the responses and modifying the queries to achieve success. But interviewing, unlike the other fraud examinations elements listed above, cannot be learned from a book. It cannot be learned from a speaker. Interviewing requires experience and practice, and, most important, it requires guilty parties. We need fraudsters to learn best. And we need a continually better caliber of fraudsters to hone our skills and become the best interviewers possible.

Identifying the Objectives

Interviews are information-seeking tools. But is that all they are? Do they serve other purposes besides learning facts? The answer is all too often, “it depends.” So before

INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

beginning any interview process, it is vital that the interviewer understand the objective of the interview and how this interview fits into the overall scheme of the fraud examination. Is the organization seeking an admission? Or is it seeking facts currently unknown? Are criminal charges possible? Does the subject face any jeopardy? What if the subject knows of more important facts? Where and when you conduct the interview might impact the accomplishment of these goals. For example, an interview in a workspace might develop different results than the same interview away from the eyes (and ears) of coworkers. The goals, objectives, timing, and product of an interview all have the potential to impact how it is conducted. And having an understanding of the end objectives is essential to presenting and conducting the best possible interview.

Preparing for the Interview

To be effective, the interviewer must know the information already known, the missing areas of information, and the reasons that the subject is expected to know the sought after information. Of these, familiarity with the known facts is the most essential element. Knowing what information can be found in other places not only helps the interviewer validate the responses, it provides borders and guideposts throughout the interview. Where the subject is honest and cooperative, these are helpful. But where the subject is evasive or duplicative, these are essential.

Read the case file. Not just your portion, but become familiar with the whole scope of potential facts. Know as much as you can about the subject before walking in the room. Know where else facts can be found—how much is public information, how much can be found on Google or Wikipedia, what is specialized knowledge, and what are such key elements that only an involved party would be

INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

aware. By preparing yourself with the facts at hand, you are ready to recognize both truth and deception. You can avoid being distracted with nonessential elements and recognize the vital ones. And most important, you can present the image of calm and assured knowledge if challenged (and you will be challenged) by the subject.

Researching the Case

Research means moving beyond the case file itself. It means knowing enough about the industry, individual role, science, engineering, and business processes to convey competency to the subject. Knowing what is readily and publicly available saves you from both wasting time in an interview and asking questions that expose a lack of basic understanding. A common challenge is to test your understanding by either asking a basic question, or positing a known falsehood, to see how the interviewer responds. By being familiar with the body of knowledge, you can dismiss these attempts easily. If your research is competent you should discover that there are elements that are either under debate or even controversial. Understand that you do not want to get drawn into a debate over best practices, so be aware of the key differences and get the subject to expand on their perspective. For most interviews this will not be a relevant issue to the matter at hand, so it is purely about removing an obstacle to effective communication. With knowledge, relevance, and credibility established, you will less likely be fooled. And when confronting fraudsters, this is the greatest risk.

Selecting Interviewees

In some cases the interviewees will be self-evident. But in most cases this is a strategic step that is overlooked. When people are selected for interviews there are a number of factors to be considered; most important are what you can learn and what will others learn. By speaking with

INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

individuals you release information into the workspace, and as you speak with more people, the focus and objective of your inquiry becomes evident. So there is a strategic value in considering who, and when to interview people to both ensure receipt of the information you need, and control the message that you send out.

Consider the location of the possible interviewees. Are they readily available? Do they work together? Will including or excluding one send a message?

Consider the level of cooperation. Are they involved? Potentially involved? Should they expect an interview, based on the circumstances? What might it indicate if they were not interviewed?

Consider the likelihood that they have important information. The closer the witness is to the perpetrator, the more valuable the information is; but the more likely that the person is involved as well. So selection should be made carefully to balance the possible gains with the potential information loss risks.

Analyzing the Interviewee

Once in the room, the two parties will begin closely looking at each other of indicators of what is to come. For the interviewer the strategy is to identify what the subject knows and how best to extract that information. For the subject, the strategy is to avoid saying anything incriminating and learn what the interviewer already knows. Thus the two parties begin in diametrically opposing positions.

Factors that become important include:

- Physical Characteristics:
 - Race

INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

- Sex
- Ethnicity
- Employment Characteristics:
 - Level
 - Role
 - Responsibility
 - Experience
 - Tenure
- Education Characteristics:
 - Training
 - Formal education level
 - Self-education level
- Economic Characteristics:
 - Income
 - Wealth
 - Background
 - Fiscal status
 - Other pressures

These factors combine to influence how the person might respond to the situation and questions and it must be carefully considered before any interviewer can properly assess the statements, actions, and indicators given by the subject.

Opening Strategies

While the mechanics of rapport building and various openings are often discussed, the strategic value of these techniques is much less commonly mentioned. The core elements of the opening are all the same—look, ask, listen, analyze—but those four simple words mask a universe of possibilities. In the haste to begin the interview in earnest, too many people rush through these steps without considering that they foreshadow much of the rest of the interview process.

INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

Look

What do you see? Is he angry? Frustrated? Is she twisting her arms? Looking at her watch? There is no other time to make a first impression, and both of you are doing it *right now*. By watching carefully, you can learn a tremendous amount about a person in fractions of a second.

Ask

The specific question that you ask is much less important than that you open with a question. Set the tone. Make it clear that you are asking questions. Never begin by explaining yourself. That is a form of apology. You are here for a reason; demonstrate that by asking a clear, concise, and reasonable question.

Listen

Not just to the words, but the tone, the tenor, the phraseology. Consider what the person is trying to say. Active listening means being solely focused on the words, expressions, and gestures of the other person. This is not a time for haste. Because how and what they say from the first few words will be essential to your success in the last few words.

Analyze

Put the pieces together. Consider what you knew before you walked in the room. Do the reaction, imagery, and activity meet your expectations? Why or why not? What is different? What is important to the subject? How should you proceed from here? This is the time, not before the interview, not before meeting the subject, but now, after seeing hearing and watching; now is the time to select the strategy for the interview. Anything else requires you to commit blindly. Fraud examiners

INTERVIEWING: RETURN OF THE FRAUDSTERS

act from information, and it is only now that you have the information you need to make the right decisions.

Making the Case for Cooperation

Effective interviewing is about persuasion. It means that you must present the person, through your questions, with a viable and acceptable path that you can both move along together. This takes time to build, especially when it involves risk and the only tools you have are questions. So be patient. Build your case carefully. Develop each point independently. Instead of presenting evidence to the subject draw the evidence from the subject. Let him provide the information that you use to create cooperation. If you attempt to force or coerce her cooperation, you will fail. Instead make the subject part of the process. Use the questions you have as a framework that the answers complete.

Seek agreement. Although it might look impossible, if you can commit the subject at each point in the process, by the time you get to the substantive matters, they will have no effective way to avoid responsibility. But if you neglect their involvement, they can backtrack through the earlier discussion and try to escape. By carefully moving through the issues and working from the outside in, sometimes repeatedly, while committing the subject to clear answers and acceptance, you create the cooperation necessary to learn the truth and, where relevant, gain admissions.

Changing YOU

Many interviewers mistakenly view their role as trying to change the subject. That cannot be more wrong. To gain the cooperation of the subject, the person who must change is the interviewer. Where there is reluctance, your questions will draw them out. Where there is incomprehension, your questions will provide relevance. Where there is disdain,

NOTES

INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

your questions will provide context. By responding to their defenses defensively, you set up a battle. By responding to their defenses empathetically, you set up understanding.

Witnesses who are cooperative make these steps easier, but they are still important. Witnesses who are hostile make these steps vital. Do not assume there is or will be hostility. Often time the hostility comes from the attitude of the interviewer. By being aggressive and direct, a less experienced interviewer can create hostility where there might have been none.

So to overcome these obstacles the interviewer changes, tone, timing, attitude, and demeanor to find the combination that is effective with this particular subject. This is where *Law and Order* reruns are not helpful. The image of the loud and yelling police officer and the subject in a cage does not fit our realities and will rarely be a situation you encounter. But since the subject will be expecting that as well, and different approach is often a surprise to the subject, and surprise always works against the surprised.

Common Question Traps

Some question types are more useful than others. This is advice that appears over and over again and, while true, it is hardly useful for the reader. Questions are tools and like tools they have a range of potential applications. But there are places where the use of one type of question will be much more effective than other types of questions. The following is a list of common question types and their applications.

One-Word Answers

Asking questions with specific discrete answers should only be used when that level of precision is required.

INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

They limit the response and serve to close down the flow of information.

Ex: Were you at the meeting? Yes.

In this case you got the answer, but that was all you learned. A better approach would be to expand the question through the use of the six common interviewing questions: who, what, where, when, how, or why. By adding these to the question you learn the same information as above *and more*.

Asking Two Questions

Presenting multiple questions in sequence allows the subject to select the answer they prefer to give, by picking the question(s) from your list that they want to answer. Keep the focus where you want it by asking a single question at a time.

Ex: When did you arrive at work? In time for the meeting? Or did you miss it?

As illustrated above the subject can exert control by selecting the scope of the answer from the range you provides, while appearing to answer the question. By asking and demanding an answer to each question, you maintain control and the proper flow of information.

Twenty Questions

As children, most people played a version of this game that involves asking a range of questions to narrow down an answer. It has appeal for kids but is a terrible interview technique. If there is something you want to know, ask. Hunting around in the dark with questions only works in the children's game because both people

INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

are being honest. Since fraudsters lie, this is never effective in real-life interviewing scenarios.

Leading Questions

Lawyers object to leading questions, and rightly so. Leading questions, those where you postulate the answer and only seek agreement, do not provide any actual information. So they are useless for interview purposes.

Ex: You want to be cooperative, don't you?

By asking these questions you learn nothing, you gain nothing, and you waste time. Make the interview have meaning and leave these placeholder questions behind.

Invasion of Privacy

Questions should be limited to the information necessary. That said, sometimes there are sensitive areas that must be explored. It might be relevant to the investigation if two coworkers have a personal relationship, or if a worker is getting divorced, or if a manager has a family member with health issues. But the questioner must understand that when questions veer into these private and personal areas, the likelihood of deception increases dramatically.

Being Actively Involved

Interviewing is not a passive activity. It requires concentration, analysis, and observation, but it also requires participation. You must adjust, modify, and adapt your role in response to the subject. You must be present in the moment. You cannot be thinking of dinner, golf, or the pile of papers on your desk. And most of all you cannot let yourself be trapped by predetermined conclusions. Each interview is like a sporting event, where the two sides

INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

arrive prepared and the outcome is unknown until the game is played. Upsets in sports are so common that they are often the focus! Thus the expectation should be that the surprise result of the interview will be a common occurrence.

While interviews are comparable to sporting events, they have significant differences as well. One does not “win” an interview. It’s a process, not a destination. Since the fundamental goal of the interview is to obtain information, a confession is not required. Confessions are helpful, but admissions, lies, and provable defalcations are as useful, and in some cases more useful.

So listen to the speaker, look at the body language, and think about what he means when he makes his statements. Consider the facial gestures, hand wringing, and arm crossing. Pay attention to the changes in person, tense, and placement. Does he use casual or formal words to describe people? Does it change? Where? When? Sometimes the phrase “any given Sunday” is used in sporting events to remind people that anything can happen when the game begins. That is even truer in interviewing. So be present. Be focused. And be actively involved.

Transitioning to *We*

One powerful tool in gaining cooperation is the two letter word *we*. If the interviewer can shift the language to a place where the discussion is about both parties—where the interviewer and the subject are *we*—the odds of gaining cooperating increase tremendously.

- We* work together.
- We* have a common goal.
- We* trust each other.
- We* understand when mistakes get made.
- We* do not judge.

INTERVIEWING: RETURN OF THE FRAUDSTERS

NOTES

The technique here is to find a perspective that makes what the subject did seem reasonable. And by positioning yourself in that perspective, you can align the questions with the subject's perspective and thus arrive at a *we* location. It is important to note that this does not mean you are agreeing with the action or particular conduct, just that you can understand the perspective that makes the conduct seem logical. By suspending judgment and removing criticism, you allow the subject to feel free to describe the now "shared" perspective. This is a very powerful tool for eliciting admissions and one that should be honed by every interviewer.

Following from the Front

Another technique to consider involves shifting the pressure. In surveillance operations, a subject is watched to see what he does and where he goes. This is typically done by following him around to map out his activities. As a result, people who are doing something dodgy will find themselves looking over their shoulders, watching the rear view mirror, and other similar activities. So a technique to foil that involves getting in front of the subject—they are far less likely to notice the person walking ahead of them than the one behind.

This translates to interviews as well. Guilty parties are often highly alert to being "herded" to a dangerous location. They can often spend so much effort trying to avoid getting pushed into admissions that they will walk right into a confession. This technique involves asking open questions that are designed to entice the subject to place himself in the fraud, rather than directed questions that force him to made admissions. It is counterintuitive, but can be highly effective if the subject seems focused on where you are going instead of what actually happened.

INTERVIEWING: RETURN OF THE FRAUDSTERS

Negotiating to Yes

The final technique comes from the art of negotiation. Sometimes fraud examiners get focused on proving their case, instead of documenting the subject's admissions. The difference is subtle but important. The goal of the interview process is the flow of information. The reality is that every admission is valuable and getting admissions to a wide range of activities is much more important than having the subject agree with your loss accounting figures. So borrowing this technique from our colleagues in sales, the examiner seeks to find common ground and agreement with the subject in as many areas as possible. By finding, and documenting, these places where the subject agrees with the facts, it is easier to close the gaps that remain.

Conclusion

Interviewing is the fine art of extracting data from people. It requires skill, practice, tools, and techniques. But most of all, it requires a willingness on the part of the interviewer to pay attention, be reactive, and adapt to the situation in the room. This has been described as convincing a man that the boat he is on is sinking and to come across to yours. It is not done with threats or force, but through the careful and methodical placement of logic and arguments, and through questions that persuades the subject to cooperate.

Skillful interviewers are always adding to their toolboxes, always experimenting with new and different ways to use their skills, and always looking at each interview as a new puzzle to solve.

NOTES