

the IG Connection

A newsletter brought to you by the Division of Inspector General
Clerk of the Circuit Court & Comptroller, Pinellas County, Florida



November 2017



KEN BURKE

CLERK OF THE CIRCUIT COURT
AND COMPTROLLER

INSIDE THIS ISSUE:

**International Fraud Awareness
Week: November 12-18**

FRAUD ALERT

SIGN UP TODAY and receive free alerts when a document with your name is recorded in Official Records. Protect yourself from fraud. **CLICK HERE.**

GET IN TOUCH:

Write:

Public Integrity Unit
Division of Inspector General
Fraud Hotline
510 Bay Avenue
Clearwater, FL 33756

Call:

(727) 45FRAUD
(727) 453-7283

Fax:

(727) 464-8386

E-mail:

fraudhotline@mypinellasclerk.org

Internet:

www.mypinellasclerk.org
[www.twitter.com/pinellasig](https://twitter.com/pinellasig)
www.facebook.com/igpinellas



International Fraud Awareness Week

The Association of Certified Fraud Examiners (ACFE) declared the week of November 12th to November 18th as International Fraud Awareness Week. Public and private organizations from around the world have pledged their support to reduce fraud by educating the public of the impact of fraud.

The ACFE is the world's largest anti-fraud organization and provider of anti-fraud training and education. The organization has more than 80,000 members that have investigated millions of cases, such as occupational fraud, data breaches, corruption, insider trading, consumer fraud, insurance fraud, and charity fraud.

The Pinellas County Clerk of the Circuit Court and Comptroller, Division of Inspector General, the Pinellas County Sheriff's Office, and Pinellas County Department of Consumer Protection teamed up during International Fraud Awareness Week to educate the public about fraud and the resources available from each office. Each organization participated at five events held around the County.



The Cost of Fraud

According to ACFE's 2016 Report to the Nations, the median estimate for fraud losses was 5% of the world's total revenue. For 2014, the projection of fraud losses totaled \$3.7 trillion. To put \$3.7 trillion into perspective:

- A stack of nickels worth \$3.7 trillion would reach the moon 375 times.
- It is 16 times more than the combined wealth of the three wealthiest people (Bill Gates \$79.4 billion, Amancio Orega \$78.6 billion, and Warren Buffet \$64.6 billion).
- You would have to spend \$130,000,000 a day for 78 years to spend \$3.7 trillion.

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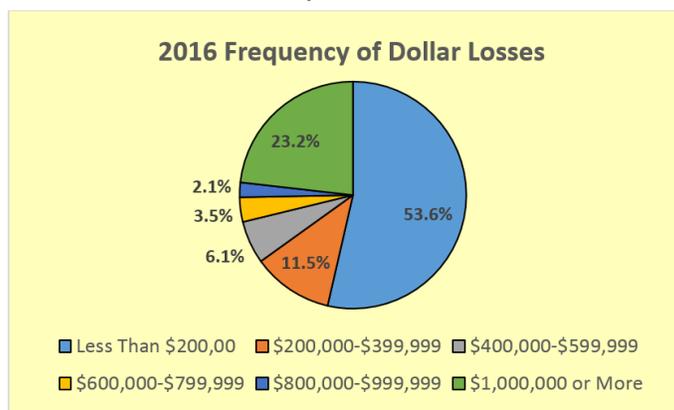
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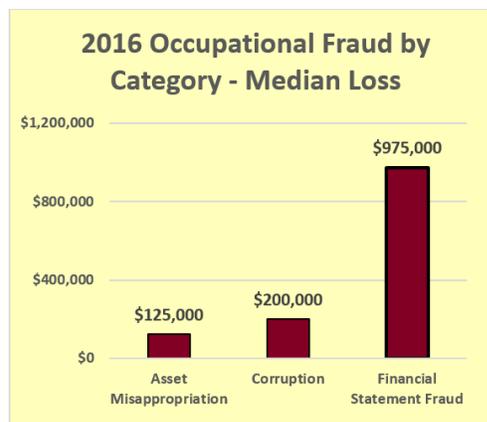
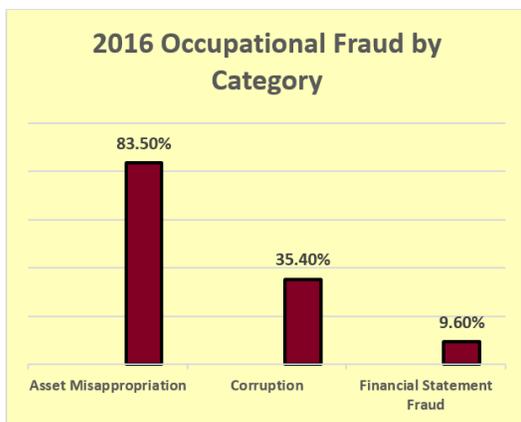


- The value of all the gold in the world's central banks is less than 1/3 of \$3.7 trillion.

The report found that in 2016, 53% of fraud losses were valued at \$200,000 or less. While more than 23% of losses were valued at \$1,000,000 or more, the average loss for cases reviewed for the report for the years 2014, 2015, and 2016 was \$2.7 million. The median, or value at the midpoint of cases, was \$150,000 for the three years.



The report placed fraud into three categories: asset misappropriation, corruption, and financial statement fraud. Asset misappropriation had the greatest percentage of cases. With over 83% of cases, asset mismanagement is the most common of the three types of fraud. While asset mismanagement occurred the most often, the median loss from financial statement fraud was nearly a million dollars compared to \$125,000 for asset misappropriation.



Asset Misappropriation – a scheme in which an employee steals or misuses the employing organization’s resources (e.g. theft of company cash, false billing schemes, or inflated expense reports).

Corruption – A scheme in which an employee misuses his or her influence in a business transaction in a way that violates his or her duty to the employer in order to gain a direct or indirect benefit (e.g. schemes involving bribery or conflicts of interest).

Financial Statement Fraud – A scheme in which an employee intentionally causes a misstatement or omission

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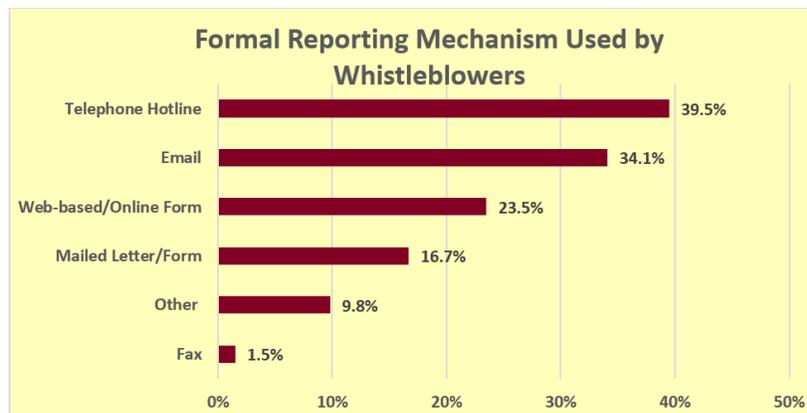
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of material information in the organization's financial reports (e.g. recording fictitious revenue, understating reported expenses, or artificially inflating reported assets).

People who commit fraud never expect they will be caught. They risk their careers, reputation, and freedom by engaging in fraud. According to the report, 51.5% of fraud scheme tips were provided by other employees, while the remaining tips came from citizens, such as customers, vendors, competitors, shareholders/owners, and other/anonymous sources.



The Pinellas County Clerk of the Circuit Court and Comptroller, Division of Inspector General, has several ways for employees and citizens to report allegations of theft, misappropriations, and abuse of County funds, assets, or policies. In addition to audits and investigations of County funds, the division also audits and investigates court appointed guardianship cases, and accepts tips for those cases.

Phone: 727-45FRAUD (453-7283)

Fax: 727-464-8386

Online Forms:

<https://public.co.pinellas.fl.us/clerk/emailform/ReportFraud.jsp> (Fraud)

<https://public.co.pinellas.fl.us/clerk/emailform/ReportFraudGuard.jsp> (Guardianships)

Address:

Public Integrity Unit
Division of Inspector General
Fraud Hotline
510 Bay Ave.
Clearwater, FL 33756

Source: 2016 Report to the Nations on Occupational Fraud and Abuse, Association of Certified Fraud Examiners