

Construction Fraud: Detection, Prevention & Response

Presented by:
Construction Audit & Cost Control Institute, Inc.,
and
Courtenay Thompson & Associates

In this two-day course attendees will explore types of fraud common to construction, techniques for reducing construction fraud and how to respond when fraud surfaces. The content is practical and hands-on, loaded with strategies and tactics, tips and techniques.

Who can benefit from this learning experience?

Anyone committed to making a difference in the construction fraud arena – project managers, internal auditors, investigators, risk managers, finance professionals, security professionals, managers, consultants, attorneys – whether employed by companies, government or not-for-profits, or in public practice. This course is designed primarily for owners' representatives, but contractors can benefit as well.

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Seminar Overview

No one knows the cost of fraud in construction projects, but it is safe to say dishonesty is alive and well in the construction arena. Construction-related fraud exposures include corruption, kickbacks, conflicts of interest, performance issues and predatory billing practices. Political considerations and relationship combine with the very nature of construction projects to make fraud difficult to detect and even harder to handle.

In this course, attendees will explore types of fraud common to construction, techniques for reducing construction fraud and how to respond when fraud surfaces. This course is about fraud in construction. Not theory, but what really happens.

Prerequisite: None

Learning Level: Basic

Delivery Method: Group Live

Advance Preparation: None

Course Outline:

Introduction to Fraud

- The challenge of construction fraud
- Dangers in responding to fraud
- Dealing with emotional responses to fraud
- How opportunity, pressure and attitude impact honesty

Mobilizing Management

- Construction Fraud Self-Assessment
- Defining your goals and a model for addressing fraud challenges
- Responding to the current fraud environment
- Defining and communicating expectations about detection
- Defining and communicating investigative responsibilities
- The role of fraud policy and what it should include
- Steps for fraud prevention

Introduction to Detection

- Steps for encouraging fraud detection
- Why managers and auditors don't detect construction fraud
- Building fraud detection into your audit and management practice
- Exposures and symptoms of fraud occurrence
- Understanding behavioral red flags of construction fraud
- Using data mining to detect construction fraud
- Fraud implications of spreadsheets

Fraud in Selected Areas

- A model for controlling contracts
- Gifts and entertainment in construction fraud
- Organized crime in construction
- Bid rigging
- Disadvantaged Business Enterprise programs and other set asides

Construction Fraud Investigation

- Understanding the investigative process
- Elements of a complete investigation
- Barriers to responding to suspected construction fraud
- Investigative perils and pitfalls and how to avoid them
- Investigation tips and techniques
- Suggestions for proving suspicions and allegations
- Fraud investigation checklist and supplement for contractors and vendors
- Using a personnel spreadsheet
- Proving kickbacks
- Internal Control Review Report Matrix

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About the Instructor

Courtenay Thompson is a recognized authority on fraud-related training for internal auditors, management and investigators. Since entering the educational consulting field in 1981, he has written and presented courses for corporations, government and professional associations worldwide.

He is the co-developer of courses on audit and control of construction costs, and has developed and presented courses on purchasing fraud and contract auditing. His courses are known for providing practical approaches to real problems.

Mr. Thompson's experience prior to consulting includes public accounting, audit supervisor for consumer financial services for a large retailer, and director of auditing for a life insurance company.

Thompson received his BBA and MBA degrees from Southern Methodist University and is a Certified Public Accountant. He is a member of various accounting and auditing professional associations.

Learning Objectives -

Upon completion attendees will know:

- How and where fraud occurs in construction activity.
- The most common construction-related frauds.
- Factors that contribute to construction fraud.
- What makes fraud in construction different and difficult to handle.
- Creating an environment hostile to fraud.
- Best practices for gifts and entertainment.
- Practical prevention practices.
- How contract language can deter or encourage fraud.
- Building detection into routine audit and management practices.
- Suggestions for detecting bid rigging and price fixing.
- Effective investigation of suspected wrongdoing.
- How to prove suspected wrongdoing.
- Specific investigative tips and techniques.
- Use of checklists and charts.
- Practical considerations for dealing with law enforcement

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Registration Information

Tuition: The Regular Registration Fee of \$1,195 may be paid by check or Credit Card (MasterCard, Visa or AMEX)

To Register On-line visit:
www.caacci.org

To Register by Telephone:
(214) 361-8346

To Register by Mail or FAX (see separate downloadable seminar registration form at www.caacci.org)

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Recommended CPE Credits:

Participants are eligible to receive 16 CPE credits.

Class Hours: The 2 day seminar will start at 8:30 am and end at 4:30 pm each day.