

# Procurement Fraud Training in Guam



FSM NATIONAL PUBLIC AUDITOR'S OFFICE

October 19—21, 2010



Left to Right: Guam Judge: Mr. Vern Perez, Guam Public Auditor: Ms. Doris Flores-Brooks, and United States Assistant Inspector General for the Department of Interior: Mr. Robert Knox closing out the Procurement Fraud Training on a Panel Discussion on Fraud, Waste and Abuse.

The Procurement Fraud Training was held at the Guam Community College in Mangilao, Guam on October 19-21, 2010. The turnout consisted of a large group from the public and the private sectors from Guam, Saipan, the Republic of Palau and the Federated States of Micronesia. Attending the training were Mrs. Erwihne David, Ms. Yolanda Leben, Mrs. Mermina Mongkeya, Ms. Elina Paul, Ms. Christina Elnei and Mr. Lover Haimin who are auditors from the Federated States of Micronesia National Public Auditor's Office.

The three days training covered the following:

Day 1: Introduction to Fraud, Investigative Process & Tools, Investigator's Role in Fraud Investigations and how to Evaluate Control Activities.

Day 2: The Concepts in Procurement, and Interviews for Auditors and Investigators regarding fraud.

Day 3: How to apply Electronic Evidence and a Panel Discussion on Fraud, Waste and Abuse.

The presentations made throughout the three days define fraud and the different types of frauds committed within the public and private sectors as well as how to apply certain tools and methods of detection and prevention, how to perform interviews and be able to detect fraud, how to provide avenues to communicate suspected fraud to the appropriate authorities, and a general overview on certain electronic devices and applications to utilize.

## Impact of Fraud:

- THE ASSOCIATION OF CERTIFIED FRAUD EXAMINER ESTIMATES THAT THE TYPICAL ORGANIZATION LOSES 5% OF ITS ANNUAL REVENUE TO FRAUD.
- THIS WOULD MEAN THAT OVER \$22M OF \$443M OF UNITED STATES DEPARTMENT OF INTERIOR BUDGET FOR THE INSULAR AREAS MAY BE VULNERABLE TO FRAUDULENT ACTIVITY.

