

Session 201

Interviewing Techniques & Fraud Cases

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SUMMARY

Skilled financial investigator and forensic accountant in the areas of internal financial fraud, embezzlement and conflict of interest. Engagements are successfully resolved through the use of accounting analysis, financial analytics and interviewing skills. Outcomes of investigations are effectively communicated to clients in verbal and written presentations. Findings of investigation are frequently shared with law enforcement officials for possible prosecution.

CLIFTON GUNDERSON, LLP

August 2005 – April 2008

Senior Manager – Financial Fraud Investigations

- Responsible for business development and an advertising campaign. Conducted marketing efforts by contacting potential clients and referral sources in face to face meetings at lunches, professional events, social occasions and presentations. Developed face to face meetings by the use of cold calling techniques. Achieved over \$300,000 of billings in the last year.
- Directed a financial fraud investigation with internal audit department of a large hospital system in which a total of 13 individuals were identified as participating in a referral bonus scheme. Coached internal auditors on what documents to assemble to prove a criminal fraud of over \$300,000. Convinced the FBI to enter the case. FBI interviews of subjects led to 7 confessions and 10 individuals pleading guilty of fraud.
- Conducted a forensic accounting and conflict of interest investigation of a federal credit union CEO in the Midwest. Identified nearly \$2 million in past due loans that were concealed by reissuing new loans to pay for past due loans. Also identified a credit union mortgage loan made to tenants of the CEO to purchase her rental property. Investigation determined one tenant had recently declared bankruptcy.
- Investigated public school system IT Director for conflict of interest issue concerning computer and telephone system purchases. Investigation located expensive gifts for IT Director from different vendors. IT Director's contract was not renewed as a result of the investigation.
- Discovered suspected fraud in the renovation of a nursing home. Two suspect vendors were found to be issuing invoices in numerical sequence over a long period of time. Suspect vendors were found to have shared the same residence and mailbox addresses with the nursing home administrator. Referred the case to the FBI for further investigation.

Federal Bureau of Investigation

September 1979 – July 2005

Special Agent – Financial Fraud Investigations

- Conducted international funds tracing during the investigation of the Iran/Contra Affair. Traced and documented \$100 million in transactions for arms and weapons through European, Middle Eastern and Central American countries.

- Initiated and directed three undercover money laundering investigations resulting in the conviction of three attorneys on felony charges. Over \$1 million in assets were seized. Testified as a grand jury witness in two of these investigations and as a summary witness for financial transactions in one trial.
- Conducted criminal fraud investigation of a Maryland State Division of Corrections purchasing manager. Combination of financial analysis plus interview and interrogation resulted in one contractor and the purchasing manager confessing to conspiracy to commit bribery. Purchasing manager pled guilty in federal court.

OTHER EXPERIENCE

Nabisco, Inc. – East Hanover, NJ
Senior Internal Auditor

1974 - 1979

GRADUATE SCHOOL INSTRUCTOR

2004 - Present

- Adjunct Assistant Professor teaching an online graduate class in Fraud Examination and Accounting Ethics at UMUC from 2004 to 2007
- Adjunct Instructor at Villa Julie College teaching an online graduate class in Fraud Analysis and Investigation from 2008 to present

EDUCATION

- Master of International Business, UMUC-Adelphi, MD, 1995
- BS Business Administration Drexel University-Philadelphia, PA, 1974

PROFESSIONAL DESIGNATIONS

- Certified Fraud Examiner, 2007
- Certified Public Accountant, 1979
- Certified Internal Auditor, 1977

SPECIALIZED TRAINING

- Sandler Sales Training, 2007
- John E. Reid Assoc. – Advance interviewing/interrogation, 1999
- FBI Academy – Advance interviewing /interrogation, 1999

PROFESSIONAL ORGANIZATIONS

- American Institute of Certified Public Accountants
- Maryland Association of Certified Public Accountants
- Institute of Internal Auditors
- Association of Certified Fraud Examiners

Investigative Interviewing

Methods and techniques to improve the art
of the interview

By: Dan Dreibelbis, CPA, CFE

MACPA Business Expo

June 18, 2008

Goals of presentation

- Investigators – lawyers, accountants, law enforcement officers need to:
 - Concentrate on the process of how to conduct an interview/interrogation vs. the facts and evidence in case.
 - Realize these techniques and methods will vary for each investigator and subject.
 - Use of the following techniques will improve investigative results.

Interview vs. Interrogation

- Same objective – obtain evidence that will assist in charging a subject.
- Interviewing is to learn the facts of a case.
- Interviewing is a conversation with a purpose – non-accusatory conversation

Interview vs. Interrogation

- Interrogation is to gain a confession or omission of guilt. Interrogation is also known as “Admission seeking interview.”
- Interrogation is accusatory – “You did...”
- Interrogation involves the investigator making a “sales pitch.”

Interview vs. Interrogation

- Interrogation: A controlled conversation between two persons to obtain a confession or admission of guilt
- Interrogation is mostly one way – investigator talking to subject
- Interviewing involves interaction between the investigator and the subject/witness.

Why interview?

- Interviews are for the purpose of gathering evidence – witness or subject statements
- Interviews are also used to gather information that would provide leads to physical evidence, bank accounts or additional witnesses.

Why interview?

- Interviewing is faster than reviewing years of accounting records and bank accounts.
- Interviews develop insight into the subject that can be used in the interrogation – “emotional handles” or theme for interrogation

Who do we interview?

- Victims of crime
- Witnesses to crime
- Subjects of investigation
- Subject’s family & friends
- Informants

Who do we interrogate?

- Subjects of investigation
- Subject's family and friends
- Victims of the crime – many times victims are involved in criminal activity themselves.
- Witnesses – they don't want to be involved.
- Informants - they always have more information

Interview preparation

- Without exception the single most important thing you will do is interview PREPARATION!
- Know the violation of law
- Review file, reports, rap sheets, financial statements, etc.
- Interview witnesses and informants before the subject.
- Interviews should be conducted by 1 or 2 investigators - no committees.

Timing of the interview

- Select a time conducive for conducting an interview:
 - Allow time to conduct the interview.
 - Investigator should be physically and mentally prepared.
 - Surprise or unannounced interviews can be very productive.

Interview location

- Conduct an interview on your turf.
 - Exception would be if subject is inclined to contact a defense attorney. Try an interview at subject's residence around 8:00 p.m.
 - Interview room should be free of barriers - desks, tables, etc.

Interview location

- Interview room should be small.
- Investigator (should sit approximately 4 ft. from the subject.)
- Privacy is important - limit the number of persons in the interview room.
- Concentrate on the interview - don't use the telephone.

Interview introductions

- Introduce yourself (and other investigators) and state:
 - Your name and position
 - I will decide if you will be charged with
- Set the tone of the interview. Establish your authority but don't be judgmental.

Background information

- Full name
- DOB, POB, SSAN
- Address
 - current
 - previous
- Employment
 - current position & \$\$\$
 - previous positions

Background information

- Education
 - level & degree in....?
 - institutions
- Family history
 - spouse employment
- Friends and associates
- Health problems
- Criminal history

Why background information?

- Provides insight into how a person has done in life:
 - street person
 - working class
 - middle class
 - privileged
- Interviewer learns the frame of reference subject uses to communicate and receive information.

Why background information?

- Builds **rapport** with subject.
- The subject wants investigators to think of him as a person.
- Investigators can use the background to become human to the subject.
- Investigator needs to win subject's respect but not worry about being friendly.
- Allows investigator to “norm” the subject.

What is a “norm”

- Interview and interrogation literature describes a subject’s norm as the way he/she reacts to questions that are not threatening.
- Spending ample time asking about boring and mundane information concerning a person’s background should help an investigator interpret a subject’s reactions to stressful questions about criminal activity that come later.

Why “norm” the subject

- Communications researchers claim non-verbal communication makes up 65% to 70% of the “real” message.
- The real message can be contained in:
 - voice - pitch, stress, tone, pauses
 - language - errors, qualifications, vagueness
 - facial expressions - eye movement, licking lips
 - body movements - grooming gestures, tapping

Questioning

- The usual questions:
 - Who, What, Why, Where, When, and How.
 - Questions should be like a....



Questioning

- Start with general open ended questions
- Work your way down the funnel to more specific detailed questions

Questioning & Notes

- Take very few notes during preliminary account
 - concentrate on listening and eye contact
 - observe non-verbal behavior.
- Start the interview again and ask specific questions - now take the notes.

Listening Skills

- Passive listening - responses do not convey investigator's ideas, feelings or judgments. Examples are:
 - “Really”, “I see”, “How about that”
- Active (aka empathic) listening is more effective than passive. The listener attempts to listen to the subject's feelings, not just the content of the message.

Listening Skills

- Active listening techniques include:
 - paraphrase the subjects answer to let them know that your listening and you understand - approval is not necessary.
 - review the material with the subject to clarify the meaning of the statement.
 - Show respect for the subject not their criminal behavior.

Listener Characteristics

- | | |
|--------------------------|---------------------------|
| • Good listeners | • Poor listeners |
| – maintain eye contact | – always interrupts |
| – clarify what's said | – jump to conclusions |
| – repeat statements | – finishes sentences |
| – don't interrupt | – are inattentive |
| – pay close attention | – changes subject |
| – poised and controlled | – doesn't give a response |
| – don't rush the speaker | – loses temper |
| – keeps on the subject | – writes everything down |

Ending the interview

- Verify the witness/subject's story as you understand it. This allows:
 - opportunity for note taking.
 - Subject to make a commitment to the story.
 - improved witness recall.

Ending the interview

- Prompt the subject for additional information by asking:
 - What have I forgotten to ask?
 - What have you not told me?
- Decide if the interview should transition into interrogation or end with the interview.
- Leave a positive impression and the possibility of future contact/interview.

Critique

- Critique your interview in terms of the previous steps, time constraints, physical environment, and information available to you.

Transition to Interrogation

- Take a short break - 5 minutes or less.
- Investigator needs to transition to being a “salesman”. Investigator does the talking.
- Interrogation is not a cross-examination. Questioning will not obtain a confession. Investigators need to sell a proposal to subject. Give the subject reasons to confess.

Interrogation Steps

- Step 1: Accuse the subject
 - “You did ...”
 - Lay out the facts that relate to subject’s guilt.
 - Observe the subject’s reaction.
 - If the subject denies responsibility - repeat the accusation.

Interrogation Steps

- Step 2: Cut off denials
 - Stop denials by subject or he will become stronger and doubt the strength of your case.
 - Interrupt and prevent additional denials - **remember this is not an interview.**
 - Use nonverbal gestures to stop denials.
 - A guilty subject will grow weaker as the denials are stopped.
 - Tell the subject it is his turn to listen.

Interrogation Steps

- Step 3: Provide reasons to confess
 - Tell the suspect why he committed the crime:
 - Rationalize and minimize the subject's behavior.
 - Use the "emotional handles" located during the interview - Mom, drugs, alcohol,
 - Give the subject reasons to confess.
 - PATIENCE, PERSISTENCE & "PATTER".
 - Patter per Webster is "rapid speech of a salesman".
 - Maintain a monologue and **momentum**.

Interrogation Steps

- Step 4: Redirect protests
 - The guilty subject will use protests because the denials have failed.
 - Protests many times are accurate - don't try to argue over something that is hard to refute.
 - Try to incorporate protests into reasons to confess.

Interrogation Steps

- Step 5: Maintain the subject's attention
 - Subjects have a tendency to withdraw after denials and protests fail.
 - Move closer to subject - violate his personal space. Get closer than 18 inches.
 - Use the subject's name and reek sincerity.
 - Make the subject focus on the reason to confess.

Interrogation Steps

- Step 6: Is the subject receptive?
- Nonverbal cues to subject giving in:
 - Head drops
 - Body leans forward
 - Tears - the “last line of defense”
- Reduce “Reasons to Confess” to a succinct concept.

Interrogation Steps

- Step 7: Present a Good/Bad Option
- Present two explanations for subject's criminal behavior:
 - One explanation is objectionable - bad.
 - The other explanation understandable - good.
- Tell the subject he based his actions on the good option.
- Ask the subject to confirm the good option.

Interrogation Steps

- Step 8: Obtain the Confession
- If the subject selects the "good option":
 - Express empathy and understanding.
 - Ask open ended questions followed by more specific detailed questions.
 - Get details of crime only known to subject.
- If the subject refuses to make a selection go back to different reasons to confess.

Interrogation Steps

- Step 9: Obtain the Written Confession

Confession Statement

- Confessions come in pieces not one complete statement.
 - Subjects will “test the water” with small omissions
 - Give the subject several little pieces or statements they can say yes to

Confession Statement

- After the subject makes a confession express understanding.
 - “You made a mistake”.
 - Shake the subject’s hand and say “... you’re a man for admitting...”
 - No high fives or gloating in front of the subject
- Why the act?
 - Get the confession on paper.

Confession Statement

- Have the subject repeat the confession in their narrative - a complete description.
- Follow up with questions.
- Depending on the subject’s ability have them prepare a hand written statement.
- Prepare a detailed written report of the confession.

What indicates deception?

- According to Freud: “He that has eyes to see and ears to hear may convince himself that no mortal can keep a secret. If his lips are silent, he chatters with his fingertips; betrayal oozes out of him at every pore”.

Detection of Deception

- Analysis of deception is very subjective as to:
 - verbal or language clues in interview/interrogation.
 - Non-verbal behavior during the interview/interrogation
- Deception analysis is an indicator, not predictor of deception.
 - Why? Variety of individual characteristics - interviewer included.

Detecting Deception

- Knowing the “norm” of a person from the interview will assist in detecting deception.
- Verbal or language clues appear to be the most reliable in determining deception:
 - Voice pitch
 - rate of speech or hesitations
 - speech errors

Detecting Deception

- A police officer writing for the FBI’s Law Enforcement Journal about nonverbal communication stated:
 - “It should be noted that exceptions to these applications exist. For example, people who are under the influence of drugs or alcohol, professional or habitual criminals, and people exhibiting antisocial behavior may not exhibit normal nonverbal behavior”.

Interview Interrogation Summary

- I & I is the most critical, effective and efficient way to investigate a crime.
- I & I techniques do not involve a formula.
- I & I techniques will vary by Officer, victim, witness and subject.
- I & I is a personal skill that needs to be practiced frequently.
- Continue your professional education in this area after leaving training.

Additional Resources

- John E. Reid and Associates
- www.reid.com
- Essentials of the Reid Technique:
Criminal Interrogations and Confessions
by: Joseph P. Buckley
- Criminal Interrogation and Confessions
by: Joseph P. Buckley, Fred E. Inbau,
Brian C. Jayne and John E. Reid.
- Dan Dreibelbis
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