

## FUNDAMENTALS OF FRAUD

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### *Type of Participant Targeted*

Fundamentals of Fraud (FOF) is intended for examiners with approximately eighteen months of on-the-job experience.

### *Course Overview*

FOF addresses the skills and knowledge needed by examiners to be able to determine when procedures, processes and internal controls, that would help prevent fraud, may be lacking in an institution. In addition to recognizing red flags and the circumstances that can lead to a “fraud enabling” environment, participants will gain the understanding necessary to recognize when and how to utilize the processes necessary to prevent, detect and investigate fraud.

### *Course Objectives*

After completing this 2½-day course, the participant, at a minimum, will be able to accomplish the following objectives.

- Describe the basic types of fraud
- Define the fraud triangle
- Recognize various fraud terms
- Explain affects of weak internal controls
- Identify red flags associated with fraud
- Discuss why an institution should implement a fraud prevention program
- Apply basic investigative techniques
- Explain when a SAR is required
- Describe 95-51 risks
- Identify relevant laws and regulations
- Present findings in the exam report
- Discuss potential enforcement actions

### *Class Size*

The optimal class size for FOF is 20 participants. To provide sufficient variety of interaction among class participants, the minimum class size should be 15 participants. Because the class relies heavily on case study work to present hands-on experience with the material, sufficient instructors are necessary to assist with individual groups. Accordingly, to ensure a manageable instructor workload and maintain a reasonable participant-to-instructor ratio, the maximum class size is 25 participants.

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### *Instructors*

FOF includes one lead instructor and two to three additional instructors. All instructors must have extensive fraud examination background .