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Kate Pospisil: Hello, and welcome to Fraud Talk the ACFEs monthly podcast. I'm Kate Pospisil, the communication specialist for the ACFE. Today, I am joined by Dr. David Glodstein, an associate professor in the Department of Accounting, taxation and business law at the State University of New York College at Old Westbury, and the recipient of the 2022 ACFE Educator of the Year Award. At SUNY Old Westbury, Dr. Glodstein began the Justice for Fraud Victims Project which offers support to fraud victims in Long Island in their pursuit of restitution, while also allowing SUNY Old Westbury students to develop real-world skills and experience. Thank you for being here. Dr. Glodstein.

David Glodstein: Thank you for having me.

Kate: Can you tell us a bit about the Justice for Fraud Victims Project?

David: As you mentioned, Kate, the project at SUNY Old Westbury was started for two reasons. One is for the benefit of the students to provide them experiential learning in the area of fraud and forensic accounting. Two, to provide service to the community where local businesses and not-for-profit entities who have experienced fraud and cannot afford a fraud or forensic accounting examination, that our students can provide that service to them.

Kate: Okay, what was the inspiration behind starting this program?

David: Good question. The inspiration really was, I was teaching fraud examination before we actually started a forensic accounting program at SUNY Old Westbury. One of the ways that students can gain experience is through case studies. I actually was doing fraud examination before the ACFE was even available to practitioners. Before the term forensic accounting became a given term, I was actually doing royalty audits. The best way I found to gain experiences was through work. When I developed the MS in forensic accounting program at SUNY Old Westbury which includes fraud examination, I knew I wanted the program to be the best.

We're the only program in the New York metropolitan area that has a Master's in forensic accounting program. It's not just good enough to teach the courses, it's really imperative that the students gain real-world experience. That's how the Justice for Fraud Victims Project came about. I wasn't the originator of the Justice for Fraud Victims Project. It actually started at Gonzaga University. There's a few schools that are doing it, a few schools that tried to do it. We're one of maybe three or four schools that are currently doing it. The only school presently on the East Coast.

Kate: For that MS in forensic accounting, is this a requirement for your students or is it just an opportunity for them to gain experience?

David: Well, good question again. The way I wanted to originally set it up was similar to how law clinics were set up at various law schools where the public can come in

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and the students would volunteer their time to gain experience handling real-world cases. The way we have it set up in the other schools might be a little bit different than Old Westbury. We actually have it set up as part of a course called Case Studies in Forensic Accounting in our Master's program. The students have to take that course as part of a requirement towards their degree.

Kate: Is it all in-class coursework or is there outside-of-class coursework as well?

David: Again, it really depends. It depends upon cases that come in and where the work comes from. In terms of the cases, sometimes we'll use cases that have been developed and published. In-between if we get work through various sources that the students can work on, we'll stop the textbook-type cases and the students will work on cases through the Justice for Fraud Victims Project.

Kate: In a typical course, how many cases would you present to your students?

David: It depends upon how many students are involved in the course. We just started the program in 2018. We're slowly growing. In this particular course, it ranges from five to eight students generally per semester and students will work in groups of anywhere from two to four. Generally speaking, it's either two, one to three cases that they'll work on. Some of the cases are larger. We don't want to use just one or two students because we want them to feel that they are progressing through the semester and they can see the progress they made with the particular case.

Kate: Are there any concerns with non-disclosures or protected information?

David: Good question. Yes. For our program, the Justice for Fraud Victims Project, maybe I just have to take a step back. The original goal was to get cases directly from the communities. The reason why I thought, we're in New York City metropolitan area, if they did it in Gonzaga and the University of Alaska doing it, we probably have at least five, six times the population that those locations have. I was like, "Easy, we'll have a lot of cases and we'll be inundated. We'll have a backlog." It really wasn't that easy. The basis behind the project really took fold in terms of developing and networking. That really took a lot of time, especially, it was started right before the pandemic.

The students sign a non-disclosure agreement as part of the coursework. The students actually when we don't have cases directly from the public, it morphed into working with the Nassau County District Attorney's Office, the local District Attorney. Their fraud and various units use our students to do analysis work through this project. The students also file a non-disclosure agreement with the District Attorney's Office. It protects the integrity of the work and the work papers.

Kate: Okay. You have legal professionals coming to you for the use of your program. Do you ever have members of the public coming to you for use of your program?

David: Yes, we have a form on the Old Westbury website that two things. One, it promotes the program. Two, there's a form that they can fill out that if somebody has been victimized by fraud, and when I mean somebody, there's certain cases that we will take and I can explain that, the cases that we generally are looking for our small business and not-for-profit entities. We're looking also for elder abuse fraud. The reason why those are the particular types of cases that we take is because there's documentation and the students can look at documentation. It can come to fruition over a period of time.

Kate: What's been one of your craziest cases that your students have worked on?

David: Aren't they all crazy?

Kate: Well, it depends on who you ask.

David: There was political fraud that they got to review. There are some embezzlement cases. There are some bookkeeper issues. They run the gamut. If somebody is looking to see what type of fraud there exists, just look at the ACFE and the forgery. That is what falls on the occupational fraud. That's probably what my students will most likely view and have viewed, financial statement fraud. They are introduced to that but they don't see cases on that. The corruption is just some of these things take years and years to investigate and look into, and that's why we have to be selective in the cases we take and the type of work we do with the Nassau County District Attorney's Office.

Kate: Do you ever get involved with cases that haven't been litigated yet?

David: Yes. Those are the cases that are the private cases. Through the project, we're not trying to take business away from fraud examiners or Forensic accountants, but some people like minority communities, they might not be able to afford the services of a private forensic accountant. When they go to law enforcement, law enforcement might say your case is too small, we don't have the resources to put to that.

A lot of times where do they go? They don't know where to go. This developed as I was doing-- I used to go to various local community events and people wouldn't know who to return to. Do I go to the FBI? Do I go to federal? Do I go to State? Do I go to my local? People just gave up, like \$2,000 or \$5,000 to a large business that got defrauded might not mean that much, but to a small business entity, that might be the difference between being in business or not being in business.

Kate: Absolutely. Wow. Okay. Well, what would you consider to be one of your program's biggest successes?

David: Everything. We have great students. The students love that they gain this experience. There are other program Forensic Accounting and Fraud Examination programs out there, but they don't do the Justice for Fraud Victims Project. Maybe

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one of the reasons why a lot of schools aren't doing this because it takes a lot of work to develop the program. For me, it was like starting a business.

I've had my own consulting practice, and this was more work to develop this than actually developing and working on my own practice. It was a lot of networking, a lot of working with the community. One of the great things about the Justice for Fraud Victims Project not only, it meets the social justice mission of the college, but the students really get to know not even about the fraud or forensic accounting component, they really get to know that this affects their community and that anybody can be a victim of fraud.

They actually have the opportunity to sit in on networking with community leaders through in-person meetings, through Zoom meetings. Anybody that I introduce the students to about or introduce the program to, they all love the project because they think it can help their communities. That's where the community leaders have to take this back to the communities to let them know this was a service that's available to people in their community if the need arises.

If my students cannot help them, we try to advise them where they can turn. Just like the ACFE, it's all about education. You got to keep educating the community. You got to keep educating the leaders because if we educate, hopefully we can reduce the risk of potential fraud.

Kate: Do you have any students who come in and maybe don't have a direction they want to go, and then they become involved with your project and suddenly they get super passionate about finding justice for victims of fraud? Has that been something-?

David: Absolutely. Yes. At Old Westbury, we have three Master's programs in the Accounting program, it's general Accounting, Taxation and now Forensic Accounting. There's a lot of students when they go through the fraud examination class because that's their initial exposure to fraud that they don't even know what their options are. Part of what I do, again, it's not just about looking at the textbook or using the material from the ACFE, but it's actually bringing in professionals. I bring in people from the department of Homeland Security, the FBI, the IRS Criminal Investigation Division, the District Attorney's Office.

I actually run another experiential learning project called the Adrian project in conjunction with the IRS criminal investigation division. It blows the student's minds when they go through it. It's a soup to nuts mock investigation where they're doing the investigation in conjunction with actual agents of the FBI. They get to do interviewing skills, the questioning skills, looking at documents. They do arresting and mock gun training.

Students don't even know what fraud examination is and what's available. Their mindset is accounting or taxation, but they could take those skills and use that to imply to investigation. Look at the ACFE. There's a whole range of different members

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there from CEOs, to investigators, to private investigators, to CPAs, to non CPAs. Everybody doesn't have to be a CPA to be a fraud examiner, but to get this experience and exposure to different potential job opportunities, the students love it.

The students are better informed when they leave there. Maybe they go into accounting initially, but then the seed was planted in their minds that, you know what, I'm not really happy in public accounting. Maybe I want to be a work for the IRS. Yes, we are open at Old Westbury to anybody to come in to speak to our students. If anybody's interested, feel free to contact me.

Kate: I can imagine that if this program had been an option when I was in college, I probably would've gotten into the anti-fraud field a lot sooner than I originally did.

David: it was actually, like I said, I didn't even know what this field was about. I did royalty audit and I just loved it. Then I said, do I want to be pigeonholed to do royalty audits and that's the only thing? Then I went back and learned about small businesses. I learned about taxation. I learned how businesses did things well and did things not so well. You get a feel for how businesses operate and then how businesses could do something that might not be ethical. It was a great experience. Then I found out about ACFE, I jumped on, I must be a 20+ year person. I don't even know I guess I'm showing my age.

Kate: We appreciate having members like you. That is for sure.

David: I love it. I encourage my students to join the ACFE. I encourage my students to join the local chapter because I think the benefits of networking, we actually did a networking event on the campus of Old Westbury with our local chapter. It was great. Not only did the students get free education on different aspects of fraud, but during the breaks, they got to network with CFEs which A, when do you get to sit with CFEs? Besides myself, they see me, I'm only the Papa and the Papa doesn't really hold weight. When it comes from other CFEs, I appreciate their help.

Kate: Absolutely.

David: Just so you know, when we get outside cases, we do work in conjunction without local chapter. We use CFEs as the mentors, because I'm just the conduit between the students and the CFE. If a case doesn't end at the end of a semester, the CFE could be the transition person from one group of students to the other group of students. We try to encourage students even if they're done with a particular course to either hang on and they can be the leader of the next group to educate those people and or help transition the CFE with the new group of people.

Kate: That actually makes me think of a question that I didn't ask already. I a case is not "salt" within the course of a semester, which probably is rare as it is, you carry that case on to the next course.

David: We do. That's where the CFE mentor comes in handy. Again, the cases have to be qualified beforehand in the type of cases we take. We try not to take a case that's going to be years and years. We look at the documentation that's available. That's another criteria. We can see if we can get it to some point within a semester. We also want the students to know that, hey, what happened with the case? How did it get resolved?

Sometimes it comes to fruition and sometimes once it comes to fruition, it could be handed over to law enforcement or the District Attorney's office to hopefully get restitution for the victim. This is, in some of the coursework that I teach. A lot of times, we don't focus on the victims. We need to focus more on the victim because these are real people and real businesses and we need to know.

It's great that we can find the fraud, quantify the fraud, indicate who the perpetrator was, but people are hurt when they're victims. They're hurting, and there's not enough exposure for the students to the victims, there's not enough research in the area of victimization. I think it's very, very important that the students understand and as I think, the students get to know, the victims, especially when they're involved in the particular case because they're dealing directly with them.

Kate: Absolutely. That's not something I've ever really thought about before but when you put it into words, you're absolutely right. We do focus on the fraud, and we focus on the perpetrators, and we focus on the investigation and how to find it and punish it and detract from it. We don't really talk about the people who are actually hurt because like you said, at the end of the day, they are people and they are hurt.

David: I did a paper on victims of the Madoff scandal and it basically dealt with their emotions. We developed a term called fraud trauma syndrome, and that every time the fraud would be brought up, these people would experience similar feelings to PTSD. It is definitely a real thing. Similar to blue-collar crimes or traditional crimes, whatever you call it, somebody who might get raped, they experience trauma. People who have been victims of fraud, they experience this similar type of trauma, except the public doesn't weigh it as much and we really need to consider that.

Kate: You're absolutely right. That it is an interesting thing that I haven't ever thought about. I appreciate you bringing that to light. Thank you.

David: Fraud trauma syndrome. I'll send you the link.

Kate: Please do. We talked about your successes. I have to ask the other side of the coin, what do you think has been one of the biggest challenges with this initiative?

David: Listen, like I said before, I think everybody has been supportive. Everybody who I speak with whether it is business leaders, Chambers of Commerce, legal and law enforcement associations and things like that, they're all great project. I think one of the challenges is this, it's me. I'm a full-time professor at SUNY Old Westbury.

They pay me to teach, to research and contribute to the college campus. I'm doing this for the good of the students. I'm not making money doing this. It's really about me. It's only me by myself. When people say it's a great thing, it's a great thing, the biggest challenge is to get them not just to say it's a great thing, but for them to take the next step to say, what can I do to help make this project or move this project further along so it's successful for the community, with the communities that we live in?

Kate: Along that same line, Dr. Glodstein, what can I do not only as an employee of the ACFE, but as a general person? What could someone do to help further a program like this?

David: That's a good question. I think this [unintelligible 00:25:39] talk is going to be a great thing because number one is, the ACFE will help expand the exposure of the program. I can use it to expand the exposure of the program locally and within my local chapter. I think that's the best thing. I need people to be active and take action and they know if it's a good project, to support it. My college, they will support things that bring recognition to the college.

The recognition to the colleges is really only shown two ways. One is through promotion and getting exposure for the institution, which gains exposure for the Justice for Fraud Victims Project. The second way is through enrollment because now money is coming back in for the programs they support. The more exposure I can have, the greater that this project will continue and last into the future. If that doesn't happen, then they might pull any funds that are going towards the project.

I think that would be unfortunate again, backtracking, unfortunate both for the community where people are victims, and now they don't have this resource, and also, unfortunate for the students because they're not getting the training prior to their graduation. This training, it's great for them because it makes them more marketable, it provides them experience, and it will help them get jobs while they are still in school.

A number of students have gone on who are Master's in Forensic Accounting program to work in risk and advisory services and the IRS after they have been involved in the Master's program and this Justice for Fraud Victims Project. It would be a shame if the project didn't continue.

Kate: I would agree with that 100%. Again, flipping the coin, we want your project to continue, obviously, but if another school wanted to start a similar initiative, what advice would you have, what communities would you suggest they reach out to? Whatever you've got for anybody who would be interested in starting a program like this.

David: That question I've actually already handled, not from you, but there was a professor who has reached out to me, he's from the University of Maryland. He saw my project and some PR that we have online about the project. He reached out to

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me, and I assisted him in any way I could with the material I had. He has some students who are active to try to reach out to community to get the program running. I've spoken to his students.

There's a another professor who is actually a professor at University in Gonzaga who helped start that, who is now at Siena College in Upstate New York. She reached out to me and said, "What were the stumbling blocks in New York State?" The legal issues in Washington are different than the legal issues in New York State. Some of that was a stumbling block for the project as well. I was like, "Whoa, where are all the cases? They should be rolling in. We're open for business. Where are they?"

It just wasn't that way because in New York State, when a case goes to law enforcement or the District Attorney, it blocks them from coming to us once it's at that level. Getting the word out is even more important within New York State to let individuals know you don't have to go to law enforcement. We want to give them that information. Let us look at it first and then you can go. If we can help you, we can. If not, worse comes to worse, you go to the District Attorney or go to law enforcement but my door is always open.

There's no secret that I have. If I can help anybody start the Justice for Fraud Victims Project, it's not a competition, if you win, I lose, no. If you win, I win. If I win, you win. We're all in the fraud business together. Who wants fraud? We're all here to hopefully reduce fraud, help people at the same time, and then everybody wins.

Kate: Absolutely.

David: If somebody said, "Hey, come to my school and help us and show me what to do," I'd be there, "Hey, when do you want me? I'll help you." Even though I know it might sound funny but I'm dead serious, I'll help anybody.

Kate: No, your passion is inspiring. I've loved chatting with you today, Dr. Glodstein. Thank you so much. Do you have any final words of wisdom other than what you just shared because those were amazing?

David: No, I just think the ACFE has been super supportive and they are a well-run professional organization. They're very well recognized. I've testified on cases and when people hear that you're ACFE, there's usually no further questioning regarding your background or your experience. Strongly encourage, like I said before, students to become members. People who have any thought about being a member even if they're not the students should become members. The material is **[unintelligible 00:32:18]** in terms of education and learning.

Attend the annual event because that's a great educational experience. I've reached out to people from that event and everybody-- Just like I said, I support people, everybody who I've reached out to has always returned my emails to have a discussion. They're all available and I can't say enough great things about it.

Kate: I think we do have a pretty good community in the anti-fraud environment if you will.

David: Pretty good. Don't underestimate it. It is great.

Kate: Thank you. Thank you very much. Thank you very much.

David: You're welcome.

Kate: Well, if you are a higher education professional looking to offer more formal education to the students who look to you and your program for anti-fraud knowledge, the ACFE invites you to join the Anti Fraud Education Partnership. There's no cost to join and you will have access to various resources to prepare the next generation of anti-fraud professionals. You can learn more at acfe.com/higher-ed. I do want to say thank you again, Dr. Glodstein. I really enjoyed speaking with you today, your passion, again, is very inspiring. Your program sounds amazing and I would love to see it take off across the world.

Thank you for listening. You can find this podcast along with all other episodes of Fraud Talk on acfe.com, Spotify, iTunes or wherever you listen to your podcasts. This has been Kate Pospisil, signing off.

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