



VLS FRAUD SOLUTIONS *Safeguarding Nonprofit Reputations and Resources*

IT TAKES YEARS TO BUILD A GOOD REPUTATION. FRAUD DESTROYS PUBLIC TRUST IN SECONDS.

A nonprofit organization like yours cannot do good works without a good name. Years of hard work nurture and win the confidence of the community. Retaining and building donor relationships, and the long-term dedication of employees and volunteers, can only be accomplished through vigilant accountability and stewardship. Public trust, as a nonprofit, is **your most important asset**.

NONPROFIT ORGANIZATIONS ARE UNIQUELY SUSCEPTIBLE TO FRAUD

Fraud can be frighteningly easy, especially in a small-staff environment with low turnover. Many nonprofits have so few people that they rely on a trusted person to conduct important cash management and financial duties, some without supervision and few internal controls. From Health Care Organizations and Retirement Communities, to Foundations, Churches, Schools, organizations servicing government grants, and others—you're all at risk of fraud and loss of reputation.

The Association of Certified Fraud Examiners (ACFE), a group of professionals trained and certified to discover and investigate fraud—and with whom the fraud team at VLS is an active member—published their **2006 ACFE REPORT TO THE NATION**, which warned that...

"Sadly, nonprofit organizations tend to suffer disproportionately large fraud losses, with the median loss for small organizations including nonprofit being \$190,000. The most common fraud schemes in the nonprofit sector are corruption, billing fraud and expenses reimbursement."

EXPERT FINDS FRAUD HARD TO DETECT

Further, Gerard M. Zach, CPA, CFE, a well-regarded fraud expert for nonprofits, and author of the book, *Fraud and Abuse in Nonprofit Organizations*, discovered that "...when someone commits fraud, they don't want to get caught. They alter, destroy, or fabricate phony documents, record bogus journal entries, among other things...and they convince themselves that they'll repay the organization later".

VLS KNOWS THAT PROTECTING AGAINST FRAUD TAKES DISCRETION AND EXPERTISE

We're very sensitive to how public knowledge about fraud can destroy trust and erode contributions and staff loyalties. VLS has over 50 years experience, and currently serves over 100 nonprofit organizations—we take special care to help our clients prevent and resolve fraud issues within their organizations.

VLS has the experience and expertise you can rely on to protect your reputation by helping you detect fraud early when it happens, while helping you prevent fraud in the first place—all with minimal distraction to your daily operation—that's our promise to you.



VLS FRAUD SOLUTIONS A PROFESSIONAL SERVICE OF VICENTI, LLOYD & STUTZMAN LLP
Safeguarding Nonprofit Reputation and Resources
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“The threat of occupational fraud looms over every public agency and nonprofit, regardless of size, stature or function. It is safe to say if you have employees some form of fraud will victimize you. Even good people commit fraud.” —Association of Certified Fraud Examiners

DISCREET AND EFFECTIVE FRAUD SOLUTIONS FOR NONPROFIT ORGANIZATIONS

All VLS Fraud Solutions services are conducted by our multi-disciplinary team of fraud experts—CPAs, Certified Fraud Examiners and former law enforcement investigators including the FBI. Here’s how our Team can help. **Our promise:** to protect your reputation by helping you detect fraud early when it happens, while helping you prevent fraud in the first place; then, with your approval, discreetly follow-up on all tips, and help you remove the harm fraud can cause your organization.

FRAUD ALERT HOTLINE

Discreet, proven, low cost and confidential fraud reporting and protection policy

A toll-free, 24-hour anonymous hotline and website; discreet; initial and annual follow-up training to all staff; calls confidentially answered by trained experts; immediate notification with direct and timely follow-up; minimal distraction to your organization.

ETHICS AND FRAUD AWARENESS WORKSHOPS

Establishing governance, accountability and preserving your reputation

Training sessions tailored specifically to the unique culture of nonprofit organizations; provides clear understanding of how fraud can happen; consequences to your reputation and the financial well-being; proven methods for early detection and ways to minimize fraud damage.

FRAUD INVESTIGATION SERVICE

Highly discreet and tailored to your situation with minimal disruption and cost

Immediate access to VLS fraud investigation experts; personal consultation about your fraud concerns or allegations; tailored investigative plan and objectives that promotes discretion and minimizes damage to your reputation; ensures successful outcomes and protects financial well-being; maximizes restitution; ensures accountability and governance by Board and management team members.

FRAUD RISK CHECK-UP AND ASSESSMENT

VLS Experts providing a powerful and low cost review of your susceptibility to fraud

Early identification of specific fraud risks associated with nonprofit organizations; educates and informs Board and management; promotes governance and accountability; increase confidence and faith by prospective donors.

INTERNAL CONTROL ADVISORS

When you need experts who identify red flags and install effective controls

From internal control documentation, assessment and recommendations for improvement, to monitoring of high-risk areas, performing internal audit functions, use of technology tools for internal audit functions, and developing and implementing your fraud and code of ethics policies.

TURN TO OUR EXPERTS FOR SOME FREE ADVICE

Our team of highly qualified professionals understands the importance of preventing, detecting and resolving the challenges of fraud in the nonprofit sector. We also understand nonprofit financial well-being...and the need for discretion in protecting your hard-won reputation. Call us today. Let’s talk about an effective fraud prevention program for your organization. The consultation is free and informative.

For more information on VLS Fraud Solutions, and to schedule your free consultation, contact Linda Saddleire, CPA, CFE, or Ernie Cooper, CPA, CFE—our **VLS FRAUD SOLUTIONS ADVISORS – AT (626) 857-7300**. Or you can e-mail Linda at lsaddleire@vlsllp.com or Ernie at ecooper@vlsllp.com.



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