



***U.S. Department of
Education
Office of Inspector General***

***Fighting Fraud Through
Diversity of Skillsets and
Disciplines***

**Robert Mancuso, ED-OIG
September 26, 2019**



Overview

- **Expectations of Presentation**
- **Background of ITACCI Organization & Mission**
- **Roadblocks to Collaboration**
- **Impact of Stereotypes**
- **Positive Outcomes from Collaboration**
- **Real Results from ITACCI**
- **Building Blocks of Success**



Expectations of Presentation

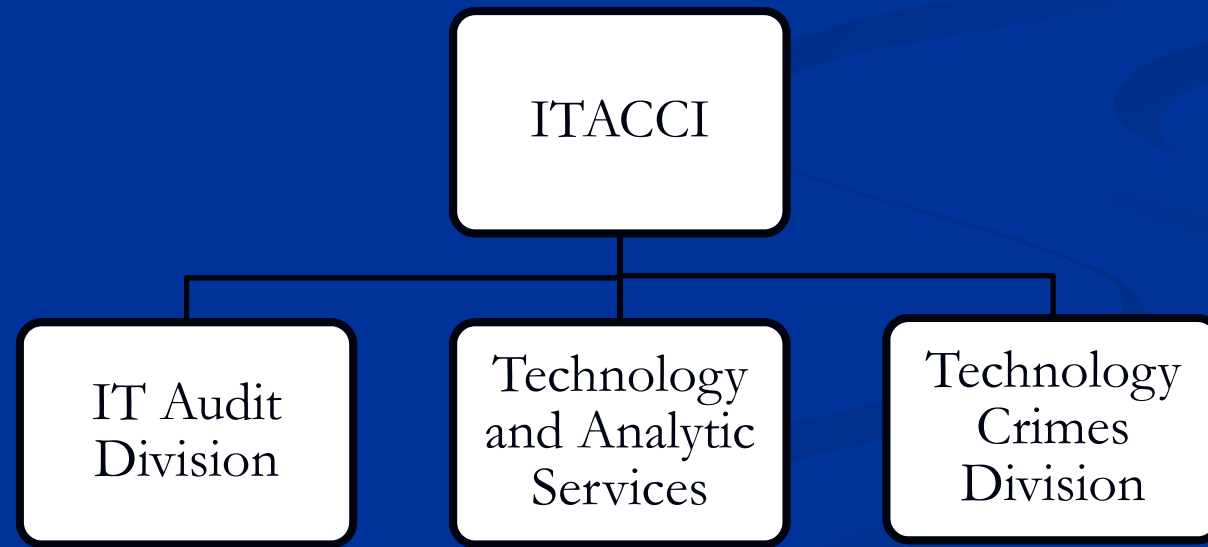
A frank discussion about:

- Why diversity of skillsets is so important to our organization
- What real collaboration should look like (and what it shouldn't)
- How roadblocks such as stereotypes about other disciplines can impede true collaboration
- How ITACCI has leveraged our diversity of skillsets to obtain true results to further the OIG mission
- Practical steps you can take to implement similar change in your organization



Background of ITACCI

- In April of 2004, Information Technology Audits and Computer Crime Investigations (ITACCI) was created within ED OIG from various independent components. ITACCI is unique within the IG Community and is a blend of auditors, investigators, analysts, and information technology specialists combined under one umbrella to address a variety of IT related issues.





Uniqueness of ITACCI

- **Mature technical capability and proven OIG Community leader in analytics and forensic analysis.**
- **Diversity of skills and disciplines. ITACCI is comprised of the following job series:**
 - **Criminal Investigators (1811)**
 - **Auditors (511)**
 - **Investigative Analysts (1805)**
 - **IT Specialists (2210)**
 - **Financial Analysts (1160)**
- **Most ITACCI personnel seen as SMEs in various IT fields and provide support to all OIG components.**



ITACCI's Vision

- Because the use of data analytics and computer forensics has increasingly become an integral part of successful audits and investigations, it is essential that ITACCI continues to innovate and advance this capability to further support the OIG mission and remain a leader in the OIG community.
- ITACCI's future success is also dependent on leveraging our technology alongside our diverse disciplines to provide the entire OIG first-class customer service.
- In light of budgetary and FTE challenges, ITACCI's future success will be “right-sizing” our components and ensuring that we are utilizing our diverse resources to their full potential.



ITACCI Organization

Three unique but complimentary teams

- **Information Technology Audits Division (ITAD):**
 - Conducts independent security control audits of the Department's IT systems and processes
 - Performs the annual audit/independent evaluation of the Department's security program and practices as required by the Federal Information Security Modernization Act of 2014
 - Performs annual vulnerability assessment and penetration testing
 - Serves advisory and assistance role to non-IT audit shops on security control audit work



ITACCI Organization

- **Technology Crimes Division:**
 - Investigates criminal cyber threats against the Department's IT infrastructure, or criminal activity in cyber space that threatens the Department's administration of Federal education assistance funds
 - Conducts investigations into unauthorized access of any information technology system used in the administration, processing, disbursement, or management of Federal funds originating from the Department
 - Conducts digital evidence acquisition and analysis in support of OIG investigations



ITACCI Organization

- **Technology and Analytic Services:**

- TAS provides the OIG with timely, reliable expert data analysis and retrieval capability using sophisticated research techniques
- Supports ongoing audits and investigations by providing interactive analytical tools and techniques to identify areas of fraud, risk and systemic control issues and provides financial and data analysis, link analysis, timeline analysis, or data visualization support
- Conducts proactive projects by analyzing Departmental and other data sources to identify potential criminal violations and generate referrals to Audit/Investigations or issue reports to the Department



Common Roadblocks to Collaboration

- Wrong beliefs of what collaboration is
 - Allowing stereotypes to guide who becomes involved in projects and what other disciplines can offer
 - An inability to consider different opinions and approaches
- Your beliefs will guide your actions and behaviors**
- Collaboration for the sake of “show” and not for true organizational change
 - Being asked to provide help as opposed to being invited to be an equal and integral part of the team
 - Limiting the other person’s assistance based on perceived knowledge and strengths

“Coming together is a beginning, staying together is progress, and working together is success.” – Henry Ford



Auditors

Stereotypes:

- Compliance Oriented
- “Gotcha” Police
- Blind Adherence to Rules & Checklists
- Introverted / quiet
- Pencil Pushers (only care about the numbers)
- Avoids Risk
- “Nerdy”

versus

Collaboration:

- Detail Oriented
- Extremely Organized
- Strong Analytical Skills
- Tremendous Program Knowledge
- Thorough and persistent
- Good deductive reasoning skills
- Knows where the good deals on food are



Investigators

Stereotypes:

- Abrasive & Overbearing
- Love their GOVs
- Type “A” Personalities
- Don’t understand why “admin” or other rules apply to them
- Hard-nosed
- Risk Takers
- “Nosy”

versus

Collaboration:

- Persistent & Resilient
- Organized
- Adaptable to differing situations
- Relationship builders
- Excellent at collecting information through interviews
- Knows where the good happy hours are



Analysts

Stereotypes:

- Can't think like an auditor or investigator
- Geeky and Nerdy
- Prefers interactions with computers and data as opposed to human beings
- Boring
- Dislikes working with others who aren't as smart as them

versus

Collaboration:

- Extremely intelligent and technically competent
- Love being engaged with audit and investigative teams
- Can effectively use data to bring context to projects
- Knows how to book Uber to get to food and drink



Results of Collaboration

- **Diverse perspectives and experience can help eliminate limitations in project planning from “group think”**
- **You glean info on who runs the water club; you find subject matter experts that are useful in the future; different perspectives raise additional issues and risks on matters, or more efficient ways to do things**
- **It allows for open dialogue to bounce ideas and thoughts off of each other. Different components may have different perspectives on how to interpret or go about addressing problems**
- **It allows units to share results/information that they may have found in an audit or investigation. For auditing, we’ve been provided excellent information from investigators that we’ve incorporated in our audit plan to examine during the audit**



Real Case Results

Background: Jordan Hamlett, private investigator, fraudulently used President Donald J. Trump's personal identifying information, including his social security number, in an attempt to illegally obtain his federal tax information from the Internal Revenue Service.

Collaboration: Jointly investigated by ED OIG, Treasury IG for Tax Administration, and FBI. Investigation revealed that Hamlett created a FAFSA account for the President and attempted to obtain the President's tax information through the Data Retrieval Tool. Work conducted by investigative analyst played a crucial role in the investigation.

Outcome: Hamlett pled guilty to false representation of a Social Security Number. Sentenced to 18 months in jail and \$14,000 restitution.



Case Results

The Times-Picayune

nola.com

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18-month sentence for man who tried to get Trump tax data

Ben Estes, NOLA.com | The Times-Picayune APR 26, 2018 - 1:30 AM



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In this Monday, Dec. 11, 2017, file photo, Jordan Hamlett leaves federal court following his guilty plea in Baton Rouge, La. (AP Photo/Gerald Herbert, File)

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A Louisiana private investigator was sentenced Wednesday to 18 months in prison for repeatedly trying to electronically access



Misuse of PAS System

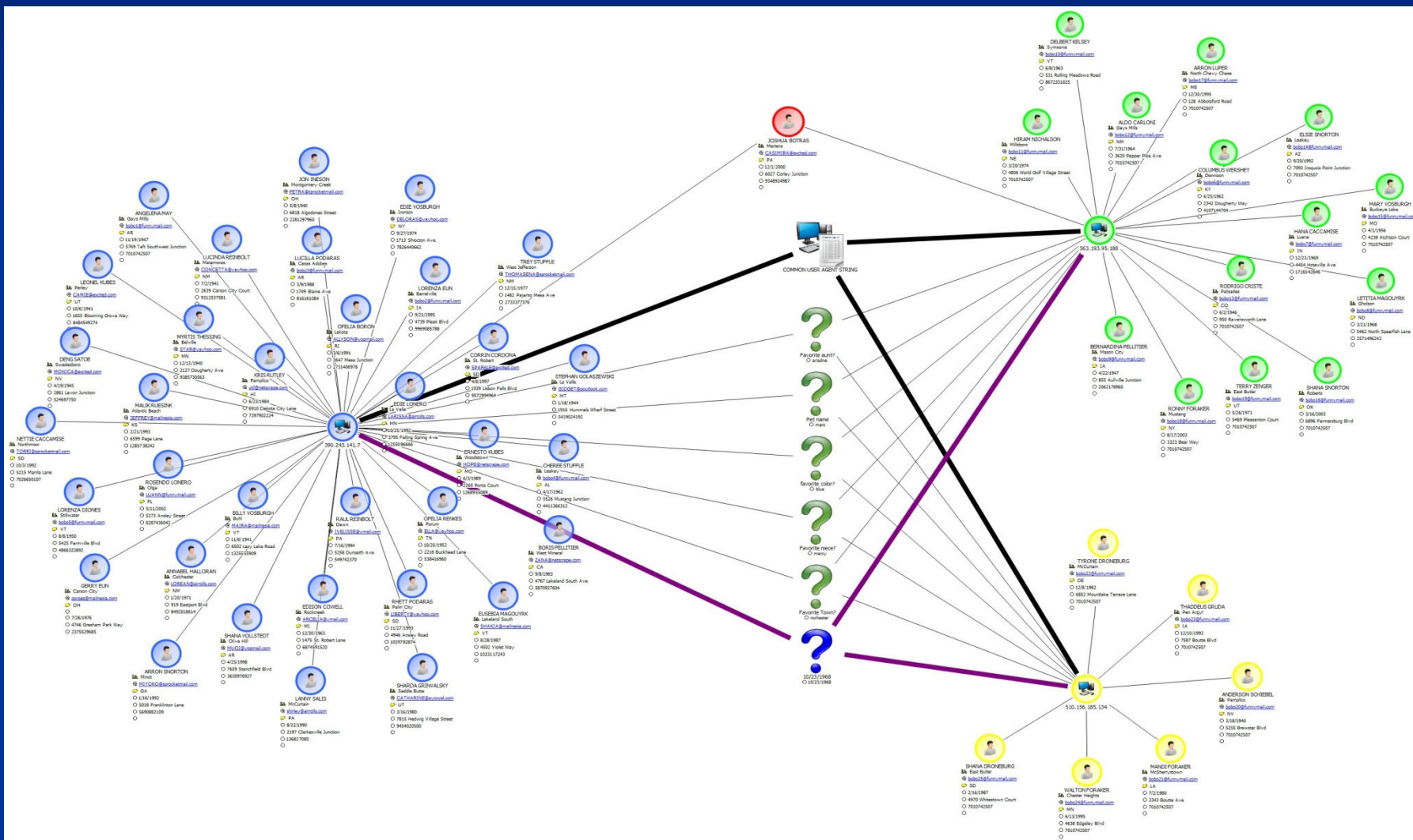
Background: TCD received information concerning the alleged compromise of victims' credentials for the FSA ID (Personal Authentication Service - PAS) system. Log reviews revealed that victim PAS accounts were routinely accessed by overseas IP addresses. TAS proactively analyzed the logs to identify other suspicious trends and identified criminal misuse by third-party loan consolidators.

Collaboration: A joint proactive project was opened, and our analysts and investigators identified legal issues with the PAS system banner language, legal issues with victims providing consent to companies, and use of advanced techniques to conceal the origination of system access.

Outcome: Project determined that perpetrators were illegally controlling loan holder accounts and banner language prevented prosecution. We referred this information via a Management Information Report (MIR).



Data Visualization





RESULTS OF MIR

Krebs on Security

In-depth security news and investigation

Posts Tagged: IRS Data Retrieval Tool

Other — 36 Comments

21 Student Aid Tool Held Key for Tax Fraudsters

MAR 17

Citing concerns over criminal activity and fraud, the **U.S. Internal Revenue Service (IRS)** has disabled an automated tool on its Web site that was used to help students and their families apply for federal financial aid. The removal of the tool has created unexpected hurdles for many families hoping to qualify for financial aid, but the action also eliminated a key source of data that fraudsters could use to conduct tax refund fraud.

Last week, the IRS and the **Department of Education** said in a joint statement that they were temporarily shutting down the IRS's **Data Retrieval Tool**. The service was designed to make it easier to complete the Education Department's **Free Application for Federal Student Aid (FAFSA)** — a lengthy form that serves as the starting point for students seeking federal financial assistance to pay for college or career school.

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As Fafsa Tool Outage Continues, Lawmakers Investigate Why It Happened

By Adam Harris | MAY 04, 2017

The Internal Revenue Service's data-retrieval tool will be back online for borrowers in income-driven repayment plans by the end of the month, James W. Runcie, chief operating officer of the Education Department's Federal Student Aid office, told a U.S. House committee on Wednesday. But he offered no respite to those who would like to use the tool to fill out the Free Application for Federal Student Aid, the Fafsa, as it will [continue to be offline](#), for them, until October.

The tool mysteriously and abruptly [went offline](#) on March 3. It was later revealed that the tool's absence stemmed from a breach that may have affected the data of [up to 100,000 people](#). The IRS estimates that 8,000 potentially fraudulent claims led it to issue tax refunds amounting to more than \$30 million. Wednesday's hearing, of the Committee on Oversight and Government Reform, sought to uncover how the breach of the tool had occurred, but ultimately, it raised more questions than it answered.



Student Fraud Rings

Background: Student fraud rings have become a rapidly growing crime that has targeted Federal Student Aid programs. The challenge was to identify approximately how much money was lost to this type of fraudulent behavior and proactively identify cases for investigation.

Collaboration: Convened a team of auditors, investigators, analysts, technical staff, and a statistician to identify and study trends, cases, and data activities related to student fraud rings. The team used program and technical knowledge to brainstorm the process, datasets, and ways to identify groups of students who exhibit suspicious behavior when enrolling at a school and receiving Title IV aid. The team also used their knowledge to identify false positive patterns and permitted activity.



Outcomes and Results

Outcomes: The technical staff used the trends, methodologies, and filters to develop an analytical model that successfully detects, with a fairly high degree of probability, fraudulent or suspicious activities relating to student fraud rings. Referred over \$30 million dollars in potential fraud to OIG Investigations and Federal Student Aid.

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Department of Justice
U.S. Attorney's Office
Northern District of Mississippi

FOR IMMEDIATE RELEASE Monday, July 9, 2018

Woman Sentenced in North Mississippi for Student Loan Fraud

OXFORD, MS. William C. Lamar, U.S. Attorney for the Northern District of Mississippi, together with Neil Sanchez, Special Agent in Charge of the U.S. Department of Education Office of Inspector General, Southern Region Office, announced today that a Memphis, Tennessee woman has been sentenced to prison for her role in a scheme to fraudulently obtain student aid.

Lakeisha Arterberry, 32, of Memphis, Tennessee, formerly of Greenwood, Mississippi, was sentenced on July 5, 2018, by U.S. District Judge Debra M. Brown, following her plea of guilty on January 25, 2018, to one count of conspiracy to commit fraud in relation to student aid provided by the U.S. Department of Education. The charge stems from a series of fraudulent applications submitted by Arterberry to the U.S. Department of Education for federal student aid. Each of the fraudulent submissions sought federal student aid for individuals who were enrolled in online classes but who had no intention of completing the coursework or seeking a degree.

Judge Brown ordered Arterberry to serve a total of 18 months in prison, followed by 3 years of supervised release. She was also ordered to pay restitution in the amount of \$249,000. Arterberry is scheduled to report to prison on August 27, 2018.

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WESTERN DISTRICT of VIRGINIA

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U.S. Attorney's Office
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FOR IMMEDIATE RELEASE Wednesday, January 10, 2018

Danville Man Sentenced to 61 Months in Prison for Student Loan Fraud

James Waller Jr. Obtained Identities, Applied for Student Loans without Authorization

DANVILLE, VIRGINIA – A Danville man, who obtained the identities of individuals in the Danville and Martinsville regions in order to apply for fraudulent student loans in their names to steal money from lenders, was sentenced yesterday in the United States District Court in Danville for a variety of federal charges, United States Attorney Rick A. Mountcastle announced.

James Willie Waller Jr., 29, was sentenced yesterday in District Court to 61 months in prison and ordered to pay \$117,000 in restitution. Waller previously pleaded guilty to one count of student loan fraud, one count of wire fraud and two counts of aggravated identity theft.

According to evidence presented at previous hearings by Assistant United States Attorney Donald R. Wolhuis and Special Assistant United States Attorney Kari Munro, Waller devised a scheme in which he obtained the personally identifying information (PII) of individuals in the Danville and Martinsville regions of Virginia. The defendant used the obtained PII to apply for student loans to online colleges and universities, without the consent of those whose information he obtained.



FISMA Collaboration

Background: Through vulnerability scanning and IT system policy reviews as part of our annual FISMA audit, our IT auditors regularly identify areas that may be vulnerable to bad actors.

Collaboration: Communication between IT auditors and cyber investigators has enhanced both our FISMA audit and cyber-investigative mission. Through analysis of incident response reporting, TCD identifies systemic weaknesses with the Department's IT program and refers them to ITAD for inclusion in FISMA audit.

Outcome: The two-way communications encourages ITACCI employees to think collaboratively and strengthens the overall quality of the FISMA report which has been the result of several congressional hearings.



Total and Permanent Disability (TPD) Project

Background: This proactive project was developed to detect fraud in the ED's TPD program and was initiated based on potential weaknesses identified by an investigation. An estimated \$3.6 billion dollars was discharged during 2017.

Collaboration: Analysis focused on identifying suspicious trends and commonalities and identified 28 doctors who each signed off on over 50 TPD applications. Standard deviation of applications per doctor for entire dataset was 2.42. Comparative review identified suspicious diagnoses, common language, or other anomalies. This was a successful joint effort between auditors, analysts, and investigators as well as external agencies.

Outcomes: Worked with other agencies to identify doctors already under investigation. Open Source Intelligence identified doctors under investigation for prescription fraud. First eleven referrals totaled \$13 million in discharged loans.



Building Blocks of Success:

Starts at the Top	Increase Communication	Be Willing to Take Risks
Think Outside the Box	Remove Stereotypes	Eliminate Obstacles
Empower Your Employees	Highlight Benefits	Incentivize and Reward

Questions?

