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Impact on Grant Fraud within the Government

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Research Proposal for Dissertation
Impact on Grant Fraud within Government
Ashley Clark
Submitted to Graduate Program
LaSalle University
12/11/16

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Abstract

My proposal and area of concentration will focus on the forensic accountant's role in grant fraud. This role is more important now than ever, as fraudsters' efforts have become more sophisticated over time. Grant fraud is particularly susceptible because more and more fraudsters are working within the company and understand the internal workings of the organization. Ensuring that grant notice of award regulations and rules are followed – and that relevant agencies and individuals follow all protocols under the budgeted term – are crucial components to ensuring the grant's success.

Within my research paper, I will cover all areas associated with grant fraud and link them to the topics covered during my time in the MS program. Such topics include fraud detection of grant misuse; investigation planning; obtaining evidence; information from witnesses and possible suspects; obtaining expert witnesses; preparing pertinent reports for law enforcement and lawyers; internal controls; and most importantly, the importance of ongoing monitoring of the grant and the funds administered to the grantee. The research provided throughout this project aims to provide insight into grant fraud; how it can negatively affect a company's image, profit, and growth; and proving that there is an integral need for forensic accounting in order to provide company stabilization and prevention of loss.

Introduction (Impact on Grant Fraud within Local Government)

I currently work in grants accounting, and I have witnessed how easy it can be to misconstrue the requirements of federal, state, and local grants. Good communication between the grant management specialist and the grantor is essential to mitigate confusion. Making sure all the requirements set forth by the grantor are clearly understood before the start date of a grant is most important. In short, the relationship between the grantor and grantee is instrumental to the success of any grant.

Grants are awarded to serve a public purpose and grantees must agree to follow the grant terms. However, fraud, waste, and misuse of these funds occur either by poor management or intentionally fraudulent schemes. The consequences of ineffective communication can be disastrous to an organization, resulting in fund reduction or complete grant elimination, as well as civil and criminal prosecution, and fund recovery. If questions arise and the grantee is unsure about certain allowances under the terms and conditions of the notice of award, they should contact the grantor to make sure the type of spending is allowed under the terms and conditions. In addition, the grantee should make the consequences of grant fraud aware to those involved; this will help decrease and possibly prevent fraud.

Grant Agencies

The agencies that typically handle grants are federal, state, or local agencies. In my line of work, I typically work with Chronic Disease Prevention agencies dealing with Nutrition and Tobacco. Some of these agencies consist of the Department of Health and Human Services Centers for Disease Control and Prevention (CDC), Pennsylvania Department of Health, Harvard University, University of Pennsylvania, and The Robert Wood Johnson Foundation (RWJF) just to name a few.

The three different types of grant funding are Federal, State, and Local. A federal grant comes from the United States government and is funded through the general federal revenue account. Federal grants come from federal agencies and are awarded to grantees to provide public services.

A State grant is also awarded to the grantees that provide public service, but on a State level. The grantee is usually providing a service to the surrounding communities that could affect or change public policies. State funding is generated by State revenue and taxes; and can be affected or delayed by the passing of the State budget.

Local grants usually come from foundations, non-profits, and universities to help fund research, studies, and prevention of diseases. Unlike Federal and State grants, where they are the main source of funding, Local grants are normally a pass-through funder. Therefore, the organization can, in fact, be a grantee itself and subcontract a portion of the work out to other vendors. In other words, the Local grantor will have to report to a third party who will normally be to the State or Federal agencies.

Grant Process

The grant process includes the initial application, budget review and submission, assurance and grant conditions, and the eligibility of the grantee. It can take up to 90 days to be notified of grant acceptance. Once the grant has been awarded to the grantee, performance measures are reviewed, daily monitoring of the grant's spending gets stipulated, monthly drawdowns or reimbursements occur, and government certifications are reviewed at the end of the grant period. One of the major components that lead to a successful grant period is the monitoring process. While dealing with the monitoring process, there are several things to look for such as grant submission, budget submission, allocations, the restrictions of grant spending,

employee dishonesty, and subcontractor misuse of funds. Yearly reporting can help detect and prevent fraud.

All three types of grants have a similar process when applying: they require a bid or request for proposal (RFP). The announcement/contract opportunities are generally posted to the agency's contract website, with all requirements and deadlines. Once the bid or RFP has been submitted by the requesting organization, the agency soliciting it has a timeframe to review the applications. Within the process for selecting the grantees, all supporting documentation and scoring methods have to be enforced. Most agencies pick the grantee based on a scoring method determined by the offer of the bidding agency. Once the organizations are notified, a post award meeting will occur to give official notice of the grant guidelines and requirements. Included in the meeting, is a breakdown of what is expected of the program manager and fiscal staff during the grant cycle. The grantor provides the necessary tools to the grantee regarding a notice of award that specifies the contract terms, dates, and budget.

Grant Award

Once the awards have been released, this is where Federal, State, and Local grants differ. They all have their own reporting methods, invoicing methods, revision and allocation requirements, forms of reimbursement, and close out procedures. For starters, most federal grants run on budget and project periods. The budget period is usually a set term of years; the grant can be a three-year grant or five-year grant, but the project period will determine which grant year you are currently in. Each grant year requires yearly reporting, 90 days after the end date of the grant. In addition, monthly drawdowns are due to determine the amount of funding spent in a 30-day period. The grantee provides the work and funding up front and is reimbursed from a federal account monthly, once the drawdown is complete. Federal grants hold their accounts with a

payment management system, similar to our personal bank accounts. Throughout the year there are deadlines to meet if the grantee needs to submit a budget revision to reallocate funding over 10% of the total grant. This is set in place to reassure that the grantee spends the funding. There are also monthly check-ins with the program office and grants management specialist to make sure there are no issues with spending funding. After the budget period is over, there is a mass reporting that combines the total project periods; this is sometimes followed by a site visit and audit.

When it comes to State grants, they also run on a budget and project period. The typical budget period is three years. The grantee pays for the activities up front, and is reimbursed on a monthly basis after submitting a monthly invoice for review. The monthly invoices capture all spending in any given month from personnel, fringe benefits, supplies, equipment, travel, and subcontracts. When submitting the invoices, backup of all spending is required and must be approved by the State's controller before payment can be issued. In addition, to the monthly invoices, a yearly audit is conducted to verify all provisions were met and spending occurred in accordance with the terms of the contract. With these grants, you can also submit a revision to reallocate funding over 10% to warrant all funding is spent and approved. When dealing with State grants they monitor the activity more frequently to eliminate fraud or mistakes. They have quarterly Technical Assistant (TA) calls and conferences to affirm all changes and questions can be answered.

Lastly, Local grants are a combination between Federal and State grants and can differ in requirements based on the funder. Most Local grantors require a quarterly invoice to determine how the spending process is coming along. There are some local grantors that provide funding upfront and some that reimburse after invoicing is complete and approved. It is rare that the local

funders ask for final reporting, as they are more focused on programmatic reporting to reference the work that has been completed and how it impacted the grant's milestones.

Grant Fraud: Types of Fraud Schemes

There are several fraud schemes when it comes to grant fraud, but it is up to the investigator to determine if the scheme is a mistake, negligence, or a crime. There are three general categories of grant fraud: conflict of interest, theft, and misuse of funds.

Conflict of Interest: Bid Rigging, Kickbacks, & Bribery

Conflict of interest can include bid rigging, kickbacks, and bribery. These forms of fraud are conducted by an employee inside the grantee organization. Bid rigging comes into play when the organization puts out a bid for a contract and several contractors submit for the bid, but secretly submit higher bids to drive up the price. By doing this the contractors can pre-select a winner. The benefits of driving up the prices would be so the winning contractor can split the profit with the other bidders. Furthermore, the contractors will rotate the contracts and/or divide them by region and territory. This can also tie into kickbacks to make sure the desired winner is chosen.

Kickbacks are a type of bribe that is paid by the contractor after work has been performed under the contract milestones and after invoices have been paid from the grantee. The contractor will pay the employee 5% - 20% of the contract value for awarding the contract. Although the contractor may be qualified to do the work underlined in the contract, according to the notice of award terms, this still is a form of fraud because the employee is manipulating the bid and gaining a profit.

Bribes are also a form of fraud and can be disbursed in monetary form, gifts, travel, loans, credit card purchases, sexual favors, business transactions, fees and commissions. Bribes

can start out harmless and small but eventually grow into something incriminating, affecting the reason for the initial award of the grant. It can drive employees to manipulate grant funding.

Bribery can lead into other types of fraud such as fictitious invoices, embezzlement, and money laundry.

There are several red flags when dealing with fraud schemes associated to grant fraud. The red flags that accompany bid rigging, kickbacks, and bribery include:

- Seeing the same contractors in rotation
- Losing bidders are hired as subcontractors of the winning bidder
- Bid patterns are questionable; too high, consistent, rounded numbers
- Connections between employees and contractor, such as addresses, phone numbers, names
- Increase in wealth for employees associated to the grant
- Improper justification for why a contractor was hired
- Middleman involved in transaction or bid selection

Dixon v. United States, 104 S. Ct. 1172 (1984) is an example of conflict of interest involving kickbacks and bribery. Dixon was involved in Department of Housing and Urban Development (HUD) grants; these grants were set in place to help rebuild urban neighborhoods in the form of rehabilitation contracts. Dixon was involved in selecting contractors after the bidding process took place. Dixon received bribes and kickbacks for selecting certain contractors for the job. Federal bribery legislation seeks to protect federal programs/grants from the harm caused by disloyalty on the part of those responsible for the program's administration. (Peters, 1984)

Theft: Embezzlement, Money Laundering, & Shell Companies

Theft can include embezzlement, money laundering, and shell subcontracting companies.

Theft can be explained by the fraud triangle, where an employee has 1) pressure to steal, 2) an opportunity to steal and get away with the crime, and 3) a way to rationalize the criminal activity. Theft is one of the most common problems when it comes to grant fraud. It is usually conducted within an organization by a trustworthy employee that has been working at the company for an extensive amount of time. These individuals know the internal workings of the company, which is why they can go undetected for so long.

A former D.C. government official was sentenced to jail time and ordered to pay full restitution for spending grant money on a 2009 inaugural ball. Although tickets were sold and contributions were given, the political organization failed to raise enough money to pay the expenses associated to the ball. This left the organization searching for another method of payment. Theft of grant funding seemed to be their only solution. The grant was awarded based on false documentation, budgets, and supporting narratives that stated the funding would be used for a youth event targeting children at risk and drug prevention. However, Neil Rodgers used the funding to pay vendors totaling \$110,000. (District of Columbia, U.S. Attorney's Office, 2015)

Embezzlement is one way the fraudster can steal from the company/grant. The individual has access to grant funding either on the programmatic or fiscal side and redirects the funding for a personal gain. When doing so, the individual has to account for the missing money, which means he or she needs to falsify financial reports or come up with fake invoices or documents to hide the embezzled funding. Once fraud starts, it is a circle of smaller fraudulent activities that have to take place to avoid getting caught.

Money laundering can be tricky, but is highly desired by a fraudster because it is the act of turning illegal money into legitimate funding. The individual will steal money from an organization; deposit it into a financial institution, disguising the original source; and then divert the money back into the economy as legal income. For example, a fraudster might buy a house with stolen money, renovate the property, and then sell the property for a profit. In this case, the money that is obtained from the sale is now legitimate and the individual can deposit these funds without raising suspicion. The proof of purchase and legal paper trail allows the stolen money to become a legal source of funding. Money laundering is one of the hardest frauds to prove because it is all about following the money, which can be difficult without a paper trail. Experienced professionals who work to uncover grant fraud keep an eye out for money that moves quickly, as it can easily disguise the source of stolen money and it creates a placeholder to cover up the crime.

Shell companies can be another way for employees to hide the money that is being embezzled from a grant. The grant needs to see proof of purchase or contract work, therefore an invoice or contract agree needs to be available for paper trail. A shell company can be developed by the employee or someone working with the employee. The shell company will produce an invoice for a service or product that never occurred and receive payment from the invoice. These shell companies are usually inactive with no significant assets or operation, no real address, or no method of contact. Shell companies are not illegal to have, but it is widely acknowledged that most people are not using them for legitimate business.

Red flags for theft, embezzlement, money laundering, and shell companies can include:

- The inability to reconcile the grant with actual spending

- Unexplained variance within the general ledger
- Frequent or large amounts of adjustments
- Unexplained reallocations or discrepancies within the budget
- Reimbursements to unapproved vendors/employees
- Change in employees lifestyle or behavior over a quick period of time
- Inability to obtain company information
- Numerous invoices received with duplicate services
- Payments with no stated purposes for service

Misuse of Funds

Lastly, misuse of funds is a scheme seen in grant fraud. This type of fraud is commonly bypassed because the mistake is not always intentional. It can be easy to misinterpret what is allowed under the grant terms, but if the grantee is unsure of how to spend the funding they should reach out to the Grant Management Specialist to verify before making a decision. The grant agreement or notice of award is the bible when it comes to the grant. This agreement sets forth the time of the project period; it is a legal document that states the grantees obligations. It also outlines the use of funding and corresponds with the budget that lays out the actual use of all funding. Grantees are responsible for properly tracking the use of funds and maintaining the supporting documentation. This includes the documentation from subcontractors and holding them accountable for spending according to the contract.

The issues that can come up when dealing with misuse of funds are reallocating money to different milestones that are not laid out in the notice of award, and not tracking spending so that the fiscal unit adequately can provide supporting documentation of category spending. In

addition, making sure that all information provided in the grant application is not misleading or false to the actual intended line of work per the contract submission. The financial and narrative reports must correspond with the initial application plan and terms. However, this is why the grantor has a revision process. Still, the reallocation needs to fall under the terms of the grant.

The misuse of funds can hold similar red flags as conflict of interest and theft. However, they are usually noticed by the grantor, whereas theft and conflict of interest can be noticed by the awarding organization and stopped/corrected before the grantor picks up on the fraud. These red flags include:

- Reluctance to provide documentation to auditors or grantor
- Missing documentation
- High employee turnover within grant personnel
- Questionable contractors

One case example: United States of America v. University of Florida; The University of Florida agrees to pay \$19.875 million to settle false claims act allegations. The University improperly charged the U.S. Department of Health and Human Services (HHS) for salary and administrative costs on hundreds of federal grants. (United States of America v. University of Florida, 2015) Health and Human Services awards more grant dollars than any other government agency, so oversight of these funds is critical. (Department of Justice. 2015)

Internal Controls

Internal controls should be evaluated on a yearly basis to make sure the company is staying up-to-date on the inner workings of the company and growing with the mass technology age. A few internal controls that help eliminate grant fraud include separation of duties, thorough

reimbursement evaluation processes, educating the staff on the potential risk of grant fraud, and implementing an accounting system that helps reduce the exposure to fraud.

Separation of duties is a big internal control that can help save the company from losing millions in grant money. Assuring there are different individuals assigned for a single transaction will definitely help eliminate mistakes and fraud. It eliminates the amount of power held by any one individual within a company. If a transaction needs numerous approvals, it is less likely that an employee will commit fraud because the chance of getting caught increases. However, this usually involves increasing the company's headcount as more staff is needed. Therefore creating a flow diagram for every department will help assess the need for each transaction. In addition to separating the duties, it is important that the board of directors play a major role in internal controls because they also hold a key role in the company. Upper management was hired to oversee the operations of an organization, therefore monitoring their decisions and daily duties are essential, as those higher up the management chain are not exempt from fraudulent activities. (Gerard, 2014)

Employee reimbursement for travel, supplies, and equipment involved with the grant must be monitored and evaluated closely. Checking to make sure all documentation is valid and that the individual actually was approved by a manager, or director to obtain a reimbursement, supply order, or equipment purchase is key. The notice of award outlines exactly what is allowable under the grant. Some travel, supply orders, and equipment is mandated by the grant, therefore identifying those are easy; it is the miscellaneous employee reimbursements that need to be identified and monitored because not every transaction is spelled out in the award. Verifying the expense is relevant to the grant is important to approving employee reimbursements.

Educating the staff is important because they can help look out for possible threats; if they see something questionable they know who to ask, and what to do to resolve the issue. This also lets them know that the organization doesn't take fraud lightly and that everyone should be aware of possible risks and consequences. Educating staff can come in the form of training classes, which should be held yearly as new employees may be hired or unit structures/duties may change. Employees should also be educated and notified of any whistleblower programs within the company.

To help minimize fraud, come up with well-defined procedures when making procurement/contract decisions and require documentation to prove all transactions. There should also be an accounting system set in place to help reduce error and provide proper checks and balances. The software systems out today are designed to do just that.

Further, external controls can be a requirement in some grants, such as State grants. Within the notice of award requirements, grantees must have an external auditor review the grant year and provide an audit report verifying that the grantee complied with all the terms and conditions. This requirement is not optional, so outside of the organizations having its own internal controls, there is an external company that reviews the terms with the grant agreement and pulls samples to make sure all requirements were followed.

Grant Detection

Prevention and deterrence start with the organization and executive levels setting a good example or tone at the top. Showing that the business model is honest, trustworthy, and strong ethical values towards the Generally Accepted Accounting Principles (GAAP), and the Sarbanes-Oxley Act of 2002 can play a part. In addition, making sure all IT measures are aligned with

those values, all risk assessments are complete and they address the fast growing age of technology. (Pearson and Singleton, 2008)

Grant fraud can be detected through several methods such as whistleblowers, internal audits, external audits, and financial reconciliations, data analytics, and site visits by the grantor. The whistleblower program can tie into the education of employees; the company has to make sure employees are aware of the procedure. Most whistleblowers battle with retaliation, therefore assuring it is safe and confident is important. Employees are the body of the organization; therefore utilizing their knowledge can be effective in grant fraud. Furthermore, internal controls can help detect grant fraud. Having quarterly reconciliations or audits can prove to be effective; this makes sure upper management is engaged in grant spending. Having the account monitored and reviewed on a consistent basis will help detect any fraud early on, which allows for correction and prevention in the future.

The investigation process can be done in two stages; one by the organization or two by the grantee to validate grant fraud has actually been conducted and there wasn't a simple mistake. The grantor can decide to press charges or settle outside of court. Misuse of funding can result in elimination of funding, but serious consequences may not follow. However, if theft or conflict of interest was determined, the grantor will have to determine if they will go after the entire organization or an individual of the company. Law enforcement is brought on at this time to gather evidence, conduct interviews, and decide if they have enough to take the case to court. Just like with any fraud, evidence is important to building a case. Evidence that is detrimental in a grant fraud case would be financial reporting, reconciliations, emails, grant notice of award, invoices, contracts, general provisions, and employee interviews. These items can explain how

the fraud occurred and who was involved or had knowledge of the misconduct. The evidence can prove that the grantee didn't follow the agreement based on the terms set.

Forensic Accountant

A Forensic Accountant uses their accounting skills and knowledge to investigate fraud dealing with funding and to analyze information pertaining to financial status of any given organization or individual. Forensic Accountants can also be called on as expert witnesses during trial, their knowledge can help in settlement cases, and their knowledge and insight can be valuable to lawyers whose profession isn't always numbers-related. After a client has decided to go forward with a lawsuit, either civil or criminal, the role of a Forensic Accountant may be needed. The Forensic Accountant has many roles which consist of the following:

- Detecting and assessing the magnitude of the fraud
- Providing all evidence for the case and extracting all relevant information
- Providing background research and conducting interviews on individuals relevant to the case
- Assisting the attorney to provide knowledge of the basic principles of GAAP
- Analyzing all material to help support the clients claim being presented
- Compiling a report for the lawyer based on all information gathered during the investigation
- Testifying as an expert witness
- Evaluating and disputing reports provided by the opposing counsel

These roles can vary on a case-by-case basis and can also be used in personal matters. The Forensic Accountant's job is to make sure all financial wrongdoing is brought to light in an unbiased manner. An expert witness should present the facts of the case, not their own personal

feelings towards the case or client. With grant fraud, the Forensic Accountant must also look at the terms and conditions under the contract to determine if the grantee is at fault.

When a Forensic Accountant is brought into the court process, they are being used for their experience, expertise, and knowledge. Lawyers have knowledge on the law enforcement side, but may have very little knowledge when it comes to accounting and the basic principles. A Forensic Accountant can inform the lawyer why a transaction is considered fraud and what terms within the grant agreement the grantee broke. The attorney may need for the forensic accountant to translate complex financial issues as these issues are what determine the outcome of the lawsuit. With the growing times, technology can also play a part in breaking the real issues down to the attorney. The forensic accountant can identify major issues in the case to help prepare the lawyer for possible pushback from the defense. Also, the evidence that is collected may need interpretation by the lawyer as many documents may be required to come up with one figure. It can also uncover other hidden problems.

A Forensic Accountant can be called to testify in court as an expert witness because they offer a special financial skill set that includes accounting, auditing, and finance. Expert witnesses have the knowledge and background to testify in court to prove a theory wrong or right through research, evaluation, and experience. Investigating grant fraud is no different. A Forensic Accountant would need to review all documents associated with the grant. Starting with the notice of award, he or she must guarantee all information is understood about the terms and conditions of the award. Viewing the claims of fraud to see how the individual or company violated the grantors terms is necessary to gain an understanding of what to look for, evidence-wise. If a conflict of interest occurred, it would be good to look at all contract documents, the process of hiring a vendor, and/or the reasoning behind a purchase. The individuals/departments

involved in the transaction and approval would be good to interview to gain knowledge of how the organization works. Gaining general knowledge about the company and how it operates may give insight on how the fraud occurred. These types of things would be best known by the expert versus the attorney, as the expert would know what questions to ask to obtain valuable information for the trial or settlement. The Forensic Accountant can work for either the defense or prosecution and can be cross-examined, so having the experience in court is a plus.

Recommendation

The main question is, “How can an organization prevent grant fraud?” In order to prevent grant fraud it is best that the individual/organization involved set up the accounting system exactly as aligned in the budget. At the beginning of the grant verifying that all procedures are set in place for procurement or contract decisions are vital. However, depending on the organization, there should already be a system in place to help determine the purchasing or contract rules of the company. For example, when an account is set up for spending, there should be a unit or individual that obtains the notice of award to confirm the amount of funding being opened is in the correct category and the amount doesn’t exceed the grant. All costs should be outlined and documented, especially personnel costs. No single person should have control over transactions. After the item has been requested and purchased the invoice is sent to the account payable clerk for the given unit. When processing an invoice the Account Clerk should make sure the invoice is signed by a manager or approving higher up and the packing slip is signed by the requesting employee. The Account Clerk should process the invoice and send over to Finance for processing, eventually leading to a controller for approval and the treasurer’s office for disbursement. This allows for several levels of approval and increases the chance that someone will notice any mistakes or questionable behavior. Finally, the organization must

review all procedures and protocols within a given timeframe to revamp internal controls if something is not working. This is how you stay ahead of the fraudster – by staying on top of the internal workings of the company.

Within the program, having a fiscal contact to run programmatic issues by to certify it aligns with the terms and conditions of the grant is important to its success. Keeping an open line of communication with the grantor is definitely important as you go through the grant process because you may not always have all the answers to know if a spending decision is allowed. Asking questions before producing the work is highly recommended, as well, as it shows that the grantee is on top of making certain the agreement is followed. Instituting monthly meetings between the program staff and fiscal staff are healthy because this allows the program staff a chance to ask question and to see if their ideas can be done.

Organizations should take a proactive approach and implement internal controls that help stop grant fraud before it begins. Start by affirming there are several different departments involved in the approval process to set up fund accounts, deposit revenue, review and approve invoice and purchases. Implement internal audits and require reconciliations that allow upper management a chance to review the grant accounts to reassure nothing stands out. If fraud does occur, it is best to catch it early on. Monitoring the activity is the only way to do so.

Conclusion

Grant fraud is a growing problem throughout the world. It can take the form of different avenues when you involve Federal, State, and Local funding. Schools, non-profits, government agencies, private organizations, and individuals can all receive grant funding for different reasons, but the common goal is to use the funding for good that in return will blossom into helping the community. Although we would love to think that everyone considers the dire

consequences of illegal actions, the reality is there are some people who feel they can conduct fraud and get away with it. This is true even more so when it comes to grant funding because it is not funding directly from the company and therefore spending can be more flexible. The individuals who gain the trust of their employer and follow these grants closely are the ones who usually manipulate the grant for personal gain. Grant funding is set in place to help society and the community. If grant fraud occurs the grantee will likely lose funding for the current grant and future grants to come. This can become an issue in the long run for communities because these grants focus on making the communities more effective, healthy, economic, and aware.

Over the last year, cities all around the world have noticed numerous high-level cases in the limelight because they have been caught stealing funding from grants, investors, fundraisers, etc. I believe that if people are more aware of grant fraud, it is less likely that individuals will commit fraud or remain quiet if they have notice questionable behavior.

Grant fraud is bad business for everyone because when it occurs, it makes it harder for other worthwhile organizations to obtain funding. The grantor starts to restrict access or funding to certain groups of grantees; the requirements become more demanding to apply and get approval; or there are more reporting structures and monitoring to eliminate others from committing fraud. This may deter very needy applicants from even applying. And that is a shame because grants are set in place to help the public, whether they are in the form of educational grants, disease control grants, or tobacco cessation grants. They are all designed for a purpose, so when an individual takes advantage of that purpose, it limits the resources to us all.

The Forensic Accountant role is more important now than ever, as fraudsters' efforts have become more sophisticated over time. Grant fraud is particularly susceptible because these

fraudsters are working within the company and understand the internal workings of the organization. Confirming that grant notice of award regulations and rules are followed – and that relevant agencies and individuals follow all protocols under the budgeted term – are essential components to ensuring the grant's success.

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