

Greater Pittsburgh Chapter

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The ACFE is the professional organization for fraud examiners. The mission of the ACFE is to reduce the incidence of fraud and white-collar crime, and to assist the membership in its detection and deterrence.



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January 11, 2012

Overview of Alcoa's Ethics and Compliance Program, and Recent Enhancements to its Anti-Corruption Program

Judith L. Nocito
Assistant General Counsel
Director, Global Compliance
Alcoa

The speaker for January is Ms. Judith L. Nocito of Alcoa. She will be presenting an overview of Alcoa's Ethics and Compliance organization and program, as well as recent enhancements to its Anti-Corruption Program. Although its values and commitment to doing business ethically can be traced back decades, Alcoa's Ethics and Compliance organization was not formally established until 2002. Like the programs of other major corporations, Alcoa's program was built on the foundation of a compliance hotline and investigation process; a code of conduct; ethics and compliance training; an annual certification of compliance and freedom from conflicting interests; and communications and advice on business ethics.



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ACFE News and Events

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2012 Fraud Examiners Manual

Important updates for 2012 include:

- New chapter on Fraud Risk Management
- New chapter on Corporate Governance
- New coverage of the whistle-blower provisions of the Dodd-Frank Act
- Updated Computer and Internet Fraud chapter, including expanded materials on:
 - ✓ Methods fraudsters use to gain unauthorized access to computer systems
 - ✓ Data manipulation and data destruction, including a discussion on some of the common methods used to destroy and manipulate data.
 - ✓ Ways organizations can prevent unauthorized access to their computer systems
 - ✓ Log management and analysis as a means to detect unauthorized access to computers systems
 - ✓ Conducting investigations regarding computer crimes, including a new eight-step plan for responding to such issues.

Alcoa's focus over the last two years has been strengthening its already solid compliance program elements, with particular emphasis on its Anti-Corruption Program. Alcoa has issued an enhanced Anti-Corruption Policy and detailed Intermediary Procedure, as well as a new Procedure on Gifts and Hospitalities. Soon to be rolled out is a Procedure on Charitable Contributions. In addition, work has been underway with the Procurement organization to introduce a risk based anti-corruption component into the supplier qualification process. Ms. Nocito will describe Alcoa's program and organization generally and share some of the challenges the Company has faced in its efforts to stay ahead of the many advancements, both in the US and abroad, on the anti-bribery front.

Ms. Judith Nocito joined Alcoa in 1979 as an attorney in the Corporate Legal Department in Pittsburgh. In 2001 she became senior counsel, and in 2002 she was elected secretary of the company. In November 2003 she was elected corporate secretary, a position she held until January 2005, when she was elected assistant general counsel. In 2009, Ms. Nocito was named Director, Global Compliance, working with the businesses and resource units to ensure that all aspects of the Company's operations, administration and business practices are in compliance with applicable laws, rules and regulations, and that they are consistent with the Company's Values and Business Conduct policies. Prior to joining Alcoa, Ms. Nocito worked in a judicial clerkship for the Pennsylvania Superior Court for two years.

Please join us for this interesting and relevant presentation.

December 14, 2011

**Fraud and the Funeral Industry:
What You're Dying to Know
Mary Anne Basilone, MS, MA, CPA,
CFE**

**Cynthia Busin Nicola, MEd, EdD
Carlow University**

The speakers for December were Ms. Mary Anne Basilone and Dr. Cynthia Busin Nicola, both of Carlow University. They started their presentation with an overview of the industry, demonstrating that it is a large and growing industry nation-wide and here in Pennsylvania. They then discussed the Federal Trade Commission Funeral Rule, which was established in April 1984 and revised in 1994 to protect consumers by ensuring they are given accurate prices and disclosures. It applies to all "funeral providers," including licensed funeral homes and those who provide funeral services involved in arranging, supervising, conducting funerals or disposing of bodies.

The majority of funeral fraud involves pre-need contracts. One scenario occurs when the survivors of an individual want to make a change to an item in a pre-need contract paid by the deceased individual. Often that item is a substandard item (such as a casket), and by changing that item, the survivors end up voiding the whole contract and incurring significant additional expenses. Cases that Ms. Basilone and Dr. Busin discussed illustrated scenarios of misuse of pre-need trust funds, improper disposal of remains, incorrect claims that individuals have died in order to access life insurance and pre-need funeral contract monies, and remains sent to the wrong families.

How can consumers protect themselves? Consumers should be knowledgeable about the FTC Funeral Rule, and can visit websites

of the Funeral Ethics Organization, the National Funeral Directors Association, and the State Board to check the licensure of funeral providers.

Consumers should also be aware that fraudsters are most likely to target senior citizens because they usually have a nest egg, are generally trusting and polite, and are less likely to report fraud. They often think that they are experiencing memory deterioration rather than fraud.

Some tips for consumers to avoid fraud are:

- Be informed
- Shop around
- Carefully read all contracts
- Consider refund and portability options
- Don't allow yourself to be pressured
- Know who owns the funeral home you are dealing with; it may not be the little family operation you think it is
- Know embalming rules
- Understand the difference between basic fees and fees for additional services
- Consider alternatives to pre-need contracts, such as a funeral trust

Thank you to Ms. Basilone and Dr. Nicola for an interesting presentation.

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