

# HAMLET'S MIND

ISSUE 32

DECEMBER 2013

## *Nullius in Verba*

### **Before We Get Started.**

**Newly Scheduled Class: Investigative Discourse Analysis, January 28 – 30, Charlotte NC.**

Budgets are strapped and travel costs are rising. Consequently, if you would like to explore the possibility of having any of the courses listed below conducted in your area in **the Second half of 2014 or the first half of 2015**, please contact me. The sessions can be structured toward a specific group or delivered via an open enrollment format. The first six listed are the most recently developed courses:

**New class for 2014: Interviewing Boot Camp**

**New class for 2014: Incorporating Digital Technology into the Interview Process**

**Elicitation Techniques: Obtaining Information without asking Questions**

**The Narcissist, the Fraud and the Subsequent Interview**

**Allegations of Workplace Harassment – Interviewing through the Labyrinth**

**Storytelling, Metaphors and Similes: The Gentle Art of Gaining Compliance**

Rapport and the Interview Process

Interviewing for Quality Information

Fraud Related Interviewing

Is That the Truth?

Interviewing from Head to Toe

Interviewer Personality Dynamics

Interviewing Generation **ME!**

Interviewer Ethics

Persuasive Interviewing

Investigative Discourse Analysis

How to Interview like the Dickens

Finding Shakespeare in the Interview

**Huh?** Staying Focused during the Interview

### **Upcoming Open Enrollment Courses Held in North Carolina and Contacts**

Advanced Interviewing: The Concept of Persuasion: March 4 - 5. [Saneal@gtcc.edu](mailto:Saneal@gtcc.edu)

Interviewing and Interrogation: Feb 10 – 14. [Saneal@gtcc.edu](mailto:Saneal@gtcc.edu)

Advanced Interviewing: The Concept of Persuasion: May 14 - 15. [javaughan@waketech.edu](mailto:javaughan@waketech.edu)

**Note: Please stop by my website – [www.hamletsmind.com](http://www.hamletsmind.com) – and check out the resumes of some most highly capable professionals.**

## **Winner of The Spider and The Fly Challenge**

If you remember, at the ACFE annual conference, I put forth a challenge to relate this noted poem to the concept of “priming”. There was no small number of submissions and I thank you one and all. At the end of the day, I chose Doreen Seaquist, CFE submission. Due to procedural guidelines, on her end, Doreen was unable to accept the \$500 award. Consequently, the prize was given to a homeless shelter.

### **Priming Techniques contained in the poem “The Spider and the Fly” by Mary Howitt**

Author: Doreen Seaquist, CFE

*When we were children and our parents read “The Spider and the Fly”, to us, (and hopefully not as a bedtime story!) we may have interpreted the spider as an evil villain preying on a helpless fly. We did not like the spider. We rooted for the fly. However, as Investigators and Interviewers, being a “spider” is the character we want to be. Obtaining admission seeking acknowledgments from fraudsters requires persuasive power that is accomplished through rigorous planning. By priming for the interview, we weave a web for the fraudster to voluntarily enter into without the exertion of power.*

*What do we need to do to prime for an interview? Learning about the fraudster we will be questioning is the key to opening the door to results. We need to understand a little bit about the fraudster’s psyche, paradigm (i.e. “view of the world”), economic social background and personal values. We need to learn to be able to blend into their environment, to mirror their behavior, and to obtain their trust. According to Don Rabon, a thoroughly primed interview will lead the fraudster from highly operational and cognitive System 2, down to the subconscious level Don Rabon calls System 1, which operates quickly, with little or no effort and no sense of voluntary control. Through effective priming, the spider took the fly from System 2, which was cautious and alert of the dangerous spider, to System 1, which was overtaken by flattery and blinded by his own vanity.*

*Let’s take apart the poem to see the priming techniques Mr. Spider used to invoke stimuli to trap Ms Fly. See my evaluation of the priming techniques contained in the text within the parenthesis.*

*“WILL YOU walk into my parlour?” said the Spider to the Fly, [Friendly invitation]  
“ ’Tis the prettiest little parlour that ever you did spy; [Comfortable environment]  
The way into my parlour is up a winding stair, [Display of enchantment and wonder]  
And I’ve a many curious things to shew when you are there.” [Enticement with objects]*

*“Oh no, no,” said the little Fly, “to ask me is in vain, [Here, the fly was operating in System 2*

*and should have stayed there!]  
For who goes up your winding stair  
-can ne'er come down again."*

*"I'm sure you must be weary, dear, with soaring up so high; [Endearing term and show of concern]*

*Will you rest upon my little bed?" said the Spider to the Fly. [Invitation to comfort]  
"There are pretty curtains drawn around; the sheets are fine and thin, [Exquisite furnishings}  
And if you like to rest awhile, I'll snugly tuck you in!" [Patronly]*

*"Oh no, no," said the little Fly, for I've often heard it said,  
They never, never wake again, who sleep upon your bed!" , [Here, the fly was operating in  
System 2 and should have stayed there!]*

*Said the cunning Spider to the Fly, "Dear friend what can I do, [Endearing term and concern]  
To prove the warm affection I 've always felt for you? [Developing Rapport through flattery]  
I have within my pantry, good store of all that's nice; [Invoking Bodily function of Hunger]  
I'm sure you're very welcome — will you please to take a slice?" [ Developing rapport by  
offering Food, demonstrating food in his house is what spider feeds on, not flies]*

*"Oh no, no," said the little Fly, "kind Sir, that cannot be,  
I've heard what's in your pantry, and I do not wish to see!" , [Here, the fly was operating in  
System 2 and should have stayed there!]*

*"Sweet creature!" said the Spider, "you're witty and you're wise, [Flattery for beauty and  
intelligence}  
How handsome are your gauzy wings, how brilliant are your eyes! [Flattery for beauty and  
intelligence}  
I've a little looking-glass upon my parlour shelf, [Invoking an object to verify beauty]  
If you'll step in one moment, dear, you shall behold yourself." [Invoking action to verify  
beauty]*

*"I thank you, gentle sir," she said, "for what you 're pleased to say,  
And bidding you good morning now, I'll call another day." [Some of the spider's priming effects  
may have created the impression that the fly could trust the spider]*

*The Spider turned him round about, and went into his den, [Pretending to be indifferent]  
For well he knew the silly Fly would soon come back again: [Seems like this isn't the first time  
his priming techniques have worked with other victims!]  
So he wove a subtle web, in a little corner sly, [Priming for the final trap in discrete area in case  
he needs it]  
And set his table ready, to dine upon the Fly. [Planning for the expected outcome]*

*Then he came out to his door again, and merrily did sing, [Invoking comfort and a non-threatening environment through music]*

*“Come hither, hither, pretty Fly, with the pearl and silver wing; [Invoking flattery associated with royalty]*

*Your robes are green and purple — there's a crest upon your head; [Creating a royal environment to that of a queen]*

*Your eyes are like the diamond bright, but mine are dull as lead!” [Raising status of fly above himself. Demonstrating lack of agility to even consider attacking the spy]*

*Note: The spider's priming techniques above provided stimulus to influence the fly's near-term future thoughts and actions, even though they may not seem to be connected. Of course, the fly returned.*

*Alas, alas! how very soon this silly little Fly, [small time lapse—priming techniques set the stage for a quick return]*

*Hearing his wily, flattering words, came slowly flitting by; [Transition from System 2 to System 1. Overtaken by flattery and vanity]*

*With buzzing wings she hung aloft, then near and nearer drew,*

*Thinking only of her brilliant eyes, and green and purple hue —[In System 1, blinded by flattery and vane thoughts of royalty]*

*Thinking only of her crested head — poor foolish thing! [Consumed in System 1 at a subconscious effort, having lost concept of the actual environment]*

*At last,*

*Up jumped the cunning Spider, and fiercely held her fast. [The spider claimed victory after the fly's total System 2 operating failure! Notice that the spider is quick and fierce, unlike him previously portraying himself as old with poor vision]*

*He dragged her up his winding stair, into his dismal den, [Note here, that his den is not what he painted it to be!]*

*Within his little parlour — but she ne'er came out again!*

*If we are determined to reach the objectives of acknowledgment seeking interviews, we must think like the spider. In the “Spider and the Fly”, the spider's goal was to entice the fly in such a way that the fly was blinded by flattery, and without realizing it, operating in System 1, walked right into the trap. By priming the fly to enter a beautiful environment, surrounded by enticing food and riches, and blinding the fly with flattery, the fly was blinded by her own vanity. After exquisitely preparing for the fly's fate through priming, the spider was able to influence the fly into his web with little or no power*

*So too, as Investigators and Interviewers should we be with fraudsters.*

*As the Investigator or Interviewer (Spider), we want the fraudster (Fly) to cooperate with us. We get there by learning to improve our techniques to possess persuasive power to get the fraudster*

*to change his or her mind, even if they are uncooperative. We want to create or “prime” the environment where the fraudster is comfortable, and subconsciously begins to descend into System 1. Our goal as spiders is to interview the fly at the System 1 level.*

*We prepare for the interview with a variety of priming techniques outlined by Rabon. We do this by creating a comfortable environment (i.e. room, temperature, furniture, and seating arrangements) that is inviting to the fraudster. We want to develop rapport, use appropriate language and gain trust. We must not take the situation personally (i.e murder investigation). Priming for the interview takes hard work. We may have to create some subtle webs that may never need to be used. If we have achieved our interview objectives through persuasive power, we will obtain the cooperation of the fraudster without having to exert the type of power that could backfire on us.*

### **Advice from an Interviewer**

In one sentence, you will find an interpersonal communication tip that interviewers, know for a certainty, has application to the world at large. One through twelve can be found in previous issues.

13. Everyone wants and needs to be understood.

### **New Series: Interviewing the Interviewers**

This section continues a new series for the newsletter. In this section, I want to take the opportunity to interview those persons, competent not only in their field – auditor, attorney, investigator, etc. – but also most capable as an interviewer. If you would like to be a part of this series, please contact me @ [dwrabon@msn.com](mailto:dwrabon@msn.com)

### **Interview with: Tiffany R. Couch**

I want to introduce you to my friend, Tiffany R. Couch, CPA/CFF, CFE. She is a most personable and highly experienced professional in the fight against fraud. I appreciate her taking the time to share with us, her insights.

**DR: Tiffany, if you will, please tell us about yourself.**

**TC:** *I like to call myself a “nontraditional accountant.” I am a CPA (Certified Public Accountant) but we don’t do tax returns or traditional financial statement audits around here! I own Acuity Forensics, a forensic accounting firm in the Pacific Northwest. This work takes me across the country – fraud happens right in our backyard and beyond. We specialize in fraud investigation, litigation support, and expert witness testimony. The best part of my “job” is*

*teaching – I love teaching business owners to prevent fraud from happening to them and I love teaching aspiring fraud investigators how to do this work!*

*Early in my career I worked in private industry, both for Boeing as well as for an international lumber company. I then went to work for a regional accounting firm where I received my “traditional” accounting experience, preparing tax returns and performing financial statement audits. Our clients ranged from government entities to small, privately held companies in a range of industries. It was at this time that we had a client who indicated that her husband was divorcing her and he said they had no money. From her huge diamond ring to her Jaguar car to her beautiful clothes, there had to be money (or a lot of debt) somewhere! Long story short, we proved that he wasn’t just hiding money from her, he was hiding money from a lucrative business venture from the IRS. Back in those days, I didn’t know what a fraud investigator or forensic accountant was, but I knew this was the work I wanted to do “when I grew up!”*

*As wonderful as my career is, the best part of life is the great guy I married and our two sons, 10 and 13.*

**DR: When you say, "I love teaching aspiring fraud investigators how to do this work", exactly what does that involve?**

*TC: I’m privileged to be a faculty member for the ACFE. I’ve been teaching Principles of Fraud Examination for several years now, in addition to both Auditing for Internal Fraud and the ACFE Exam Review Courses. In addition, I provide continuing education courses to CPA groups around the United States. Have you ever had an “AHA” moment? The moment when a concept or idea comes together and makes sense or is suddenly applicable to what you do in your job or your life each day? Those are really fun moments to experience – but they are even more fun when you’re standing in front of an audience and you’re helping them to experience an “AHA” moment of their own. As an instructor, when you put yourself in the seat of the people there to listen to you, you have to think, “What is going to benefit these people the most? If I were them, what knowledge would I want to walk out the door with?” That takes teaching to a whole new level. The best part is taking the instructional material and applying a real-world fraud case to it. Watching participants light up when they enjoy the story, or when they say, “Hey, I can use that when I get back to my office” is truly satisfying. Lastly, I love it when participants share their own experiences or questions. Not only do I get to walk out the door with new information, but the entire class does, too.*

**DR: Along the line of fraud related instructional topics you identified, what is your perception regarding the growth or reduction of fraud in the next five year period?**

*TC: I’m pretty sure Fraud is the second-oldest profession in history, so I foresee there will be a continued need for experienced and skilled fraud examiners, interviewers, and computer forensics experts to tackle these crimes. Several factors play into this opinion. First, we live in a society that values “things” – people go into a lot of debt in order to have these “things”. As wages go down or jobs are lost, and expenses continue to rise – it becomes difficult to make those debt payments. Think “internal pressure.” That pressure to meet those debt payments or to have those “things” is often the reason people commit fraud in the first place. I’m seeing a*

*proliferation of what I've dubbed "Financial Statement Fraud on Main Street." As it becomes more difficult for companies to meet their loan covenants or for executives to meet their compensation-related goals, I'm seeing an increase in financial statement frauds in small to medium size companies. Instead of Enron or WorldCom "cooking the books" to meet Wall Street Expectations – I'm being hired for engagements where banks or private investors have been defrauded so that a company can gain financing or my clients' books have been manipulated so that executive level employees can receive bonus compensation. These sorts of crimes are all directly tied to our sluggish economy. Lastly, external frauds are happening as well. Infiltration by an external source to a bank account, individuals or companies scammed out of funds by an unscrupulous individual (home or abroad), and information leaked via social media are all on the rise.*

**DR: All that being the case - and I believe your assessment is spot on - what is your take on the "rationalization" dynamic involved in the commission of the fraud and the use of rationalization as a persuasive theme within the conduct of a compliance-gaining interview?**

*TC: Fraud examiners need to be careful of assuming what the fraudster's rationalization really is. By assuming too much, and using that assumption in an interview, you may reveal that you don't know as much as the fraudster – thus losing an opportunity to get the information you want. It's a very delicate balance. We must remember that rationalizations occur inside someone's mind – and could be vastly different from what is on the surface.*

*On the other hand, it can be just the key that unlocks the door. I once interviewed a suspected fraudster twice. The last time, with evidence of her document manipulation, lying, and theft on full display. She refused to acknowledge the information in front of her. And then it came to me during a quiet moment in the interview. She had a tan (it was February in Washington state), she had an expensive Coach purse, and fake nails. Why did this matter to me? Well, I knew that she had a child who recently underwent a heart transplant. I said to her, "It isn't fair, is it? And she said, "What?" "That you have a sick kid and all the other moms do not." She quietly nodded, the tears fell, and she admitted to stealing over \$50,000 from the youth soccer club. Not for medicine. Not for bills. But so that she could enjoy the lifestyle of "all the other moms."*

**DR: From the first interview that you ever conducted professionally until now, what would you identify as the most important interpersonal communication lesson you have learned, that you wish you had known at the very beginning?**

*TC: Be yourself, don't overthink it or over plan it. When you can make your interview as conversational as possible, people will talk to you. They will tell you things that will blow your mind. They want to talk to you – you just have to make yourself available to them and have a listening ear.*

**DR: Lastly, for those wanting to discuss further, regarding the training and consultation services that you offer, how might they get in touch with you?**

**TC: Contact info:**

Tiffany R. Couch

[tcouch@acuityforensics.com](mailto:tcouch@acuityforensics.com)

[www.acuityforensics.com](http://www.acuityforensics.com)

360.573.5158

## **Submissions from Professionals in the Field**

My thanks once more to Dr. Tim Naddy for his participation:

### **The Bleating Edge:**

When Innovation Velocity Affects Social Viscosity – Part II

By: Dr. Tim Naddy, CFE, CPA and Taylor Herndon

The Man in the Mirror

It's fair to say that history has been shaped by the influences of narcissistic figures. Beginning many centuries ago leading up to today, narcissistic personality traits have emanated from major historical figures, politicians, celebrities, and businessmen to minor everyday *normal* people such as college students and teachers. Even though it wasn't until the mid-1900's that Narcissistic Personality Disorder (NPD) became officially recognized in the Diagnostic and Statistical Manual (DSM) published by the American Psychiatric Association, there was a general consensus in major and minor circles that certain individuals had certain traits that made them...different. Whether this difference was uniquely good or significantly bad was determined by the individuals' perceptions and realizations of their abilities and how they individually chose to use them in both private and public spaces. History has told its story. Now it's our job as investigators to look behind the "facts"; to gain a better understanding of the narcissist, so we, as fraud investigators, know exactly how to approach an examination where we must ascertain with *whom* exactly we are speaking: The Man or The Mirror?

In her April 2013 article entitled "Narcissistic Personality Disorder: Not Even a Diagnosis", Cheryl Nelson described a narcissist as an individual who "lacks the ability to problem solve effectively" and "has a grandiose sense of self-importance." (2013<sup>ii</sup>) Throughout history, narcissism



has made a nasty habit out of consuming the individual to the point of affecting the very decisions that he makes so they are only for the betterment of himself. Clinically speaking, narcissists often have a self-aggrandizing sense of entitlement. In addition, narcissists tend to feed off of the sympathy of others allowing them to let another person feel connected to them, however, they are incapable to expressing or feeling empathy; they can't even feign it. What does this mean? It means that narcissists are master manipulators who can invoke sympathy out of others as a means of persuading them to their points of view, but when/if things go badly, they are unable to understand the hurt brought about in the other person. They have no Jiminy Cricket, so they end up at Pleasure Island without realizing, nor caring, that they've become jackasses.

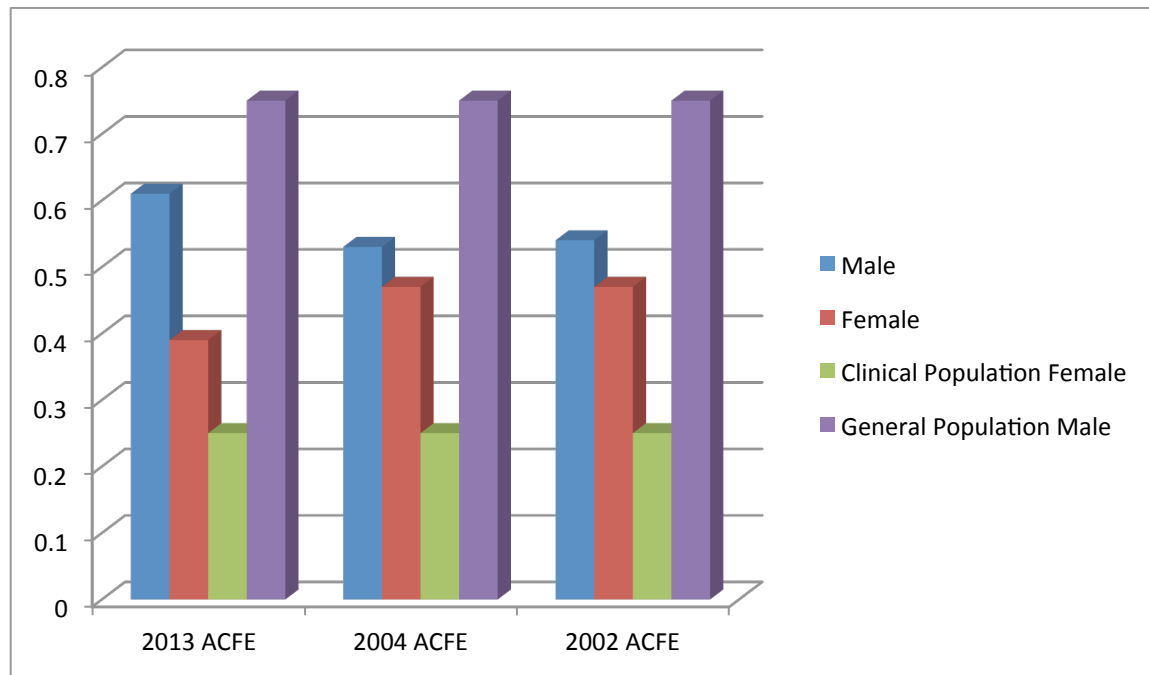
Where this master manipulation skill becomes an issue for us investigators is that we need to be able to identify the trait exists so we can counter the manipulation to achieve our investigatory goals. Unfortunately, it appears that this trait that was once perceived in a handful of persons throughout various societies is now becoming pervasive throughout our population. Even though narcissism is recognized in all aspects of life, studies have recently shown the level of narcissism in college students has exponentially risen within the last forty years. Yes, these are the same college students who are now holding upper-level management positions in the workplace. While a direct correlation has not yet been drawn, we have also seen increased levels of fraudulent behaviors in the workplace. Coincidence? Perhaps. It may or may not be the narcissists who are causing this shift in behavior. It may be that fraud examiners are just better at bringing these behaviors to light. It begs the question: With all of the labels out there these days, can an individual possess narcissistic traits without being labeled a narcissist?

Narcissism comes in different forms and may not be as malignant as the labeled "narcissist" sounds. Foremost, it is important to differentiate a trait narcissist (also known as a common narcissist) from a clinical narcissist (aka malignant narcissist). According to Johnson et al in their article "Auditor Perceptions of Client Narcissism as a Fraud Attitude Risk Factor" (2013<sup>iii</sup>), trait narcissism is viewed as a stable personality characteristic held by most throughout the adult population. A person who possesses trait narcissism is linked with confidence and possessing the ability of easy decision-making. "Healthy narcissism", as discussed by Zagano in his article "Spiritual Wisdom, Narcissism, and Healthy Humility" (2004<sup>iv</sup>), is considered non-pathological and rests in the image of increased self-esteem and self-image. Healthy narcissism can be considered to be that person who simply has over-confidence in oneself, not to the point of affecting his or her everyday decision-making. As long as self-esteem and respect for oneself remains high, trait – or

healthy – narcissism will rest at a level that will increase an individual’s ability to stay level-headed and stay away from reaching clinical narcissism.

On the contrary, extremely high levels of narcissism, categorized with clinical narcissism, lead to “dysfunctional interpersonal relations and outcomes” (Johnson et al, 2013) and a constant need for admiration and a manifestation of a sense of superiority. This malignant level of narcissism literally affects one’s sense of what is and is not sane. Basically, one’s every-day decisions become consumed by a sense of narcissistic attitude, in that his or her decisions may be tagged as “insane.” Preoccupation with power, brilliance, and unlimited success, along with arrogance and haughty behavior towards others are two of the many characteristics of Narcissistic Personality Disorder (Zagano, 2004). Clinical narcissists are known to have behavior problems that hinder them to handle criticism appropriately. One who falls under the category of clinical narcissism can never be wrong. Nelson (2013) labels clinical narcissists as having a sense of entitlement and a grand sense of importance, while constantly requiring attention, approval, and admiration. Clinical narcissists label themselves as better than the world itself, while possessing the desire for constant praise with no criticism whatsoever. Moreover, they possess a strong desire for power and dominance, which in turn, has been documented to be associated with fraudulent acts in the business world.

For a statistical look at the issue, we turn to our very own Association of Certified Fraud Examiners (ACFE). With less than 1% of the population believed to be suffering from clinical NPD (2-16% of the clinical population) 50-75% are male. However, according to our own ACFE study, men and women commit a fairly equal number of frauds at work. The most recent ACFE survey indicated that men perpetrated 61% of fraud schemes, while women committed 39%. The 2004 ACFE survey put the differential at 53% committed by men and 47% committed by women, while the 2002 survey cited that internal fraud was committed 54% by men and 47% by women. These differences are not terribly significant. Overall, the consensus is that men and women participate in a fairly equal number of fraud schemes as shown in Table 1 (Coenen, 2013<sup>v</sup>). Does this mean that women who commit frauds do not display narcissistic traits? No. But it does tell us that we can’t always tell if the person committing the fraud is, indeed, a narcissist. This is good information because it tells us that those who *are* narcissists, while having a proclivity towards fraudulent behavior, may not be the ones who are perpetuating the frauds. But, as investigators, we shouldn’t be surprised if our culprit *is* a narcissist.



**Table 1 Narcissist personality disorder consensus**

Looking deeper into the above numbers, we have to ask ourselves: who exactly is making up that workforce where the men and women are perpetuating these frauds? We must look to our local college campuses. Recent studies conducted on college students show evidence of increasing levels of narcissism in colleges and universities. Such evidence has been found in higher education classrooms throughout the United States and international countries, alike. The Narcissistic Personality Inventory (NPI), one of the test results examined in the study, is a device used to record “individual differences in narcissism in non-clinical populations” (Traiser and Eighmy, 2011<sup>vi</sup>). With the use of the NPI, higher numbers on a scale of 0-40 are related to greater narcissistic personality traits. In addition to the NPI examination in Traiser’s and Eighmy’s work, an analysis was performed using the Defining Issues Test (DIT), which was designed to measure moral judgment. With a mean score of 19.43 on the NPI for private college students and a mean score of 15.71 for public college students, the conclusion was successfully drawn that, along with other correlations considered, private college students tend to have more narcissistic qualities than public college students (Traiser and Eighmy, 2011).

Narcissism in higher education has also been examined and discussed. Narcissistic tendencies in the classroom, such as being “interpersonally exploitative” and portraying arrogant

behaviors, cause students to inadvertently blame others for failure making it challenging for others to become team players (Bergman et al, 2010<sup>vii</sup>). When classmates see such behaviors, it becomes difficult for the faculty to use team-oriented learning techniques and team-based projects. In opposition to all of the negative effects of narcissism though, Bergman et al. explain that the short-term benefits of narcissistic qualities for college students can be the difference maker in a prodigious on campus leader and a mere run-of-the-mill follower. Emergent leadership and enhanced performance on public evaluation tasks by peers are short-term benefits for narcissistic students. So while narcissism is certainly prevalent in our colleges and universities, not all narcissism is negative. However, if left unbridled, the business community could face problematic situations and an increased level of fraudulent behavior due to narcissism.

With regard to fraud and deception within the workplace by senior leaders and upper management teams, bad leadership and narcissistic qualities contribute immensely to the duplicitous behaviors. In the past, “extreme organizational narcissism” has contributed to the fall and demise of large and successful corporations. According to Duchon and Burns (2008<sup>viii</sup>), extreme organizational narcissism can take two forms based off high or low self-esteem. The bankruptcy of Enron in 2001, prosecution of top management officials, and the fall of auditing firm Arthur Andersen can be contributed to high self-esteem narcissism. Top executives and employees at Enron skipped around the rules because they believed the “rules” did not apply to them and they were automatically deserving of success and riches (Duchon and Burns, 2008). Over the years that Enron continued to exponentially grow, the CEO and other executive position-holders chose to “boast and brag” about their successes and executives were not shy about indulging in new offices, flashy parties, private jets; even purchasing the naming rights of the Houston Astros stadium. Such boastful actions taken by the executives of Enron provided themselves with a sense of entitlement and a larger need for self-aggrandizing fantasies. The last key factor of high self-esteem narcissism that sent Enron into a complete downward spiral was the constant denial that their data could not be wrong. Here we relate back to clinical narcissism where criticism was not dealt with by any means. Insider trading and fraud evidence was ignored within Enron for years before the company fell. Everyone within and associated with the company seemed to be a “yes-man” who never circulated bad news to the top executives. With its epic failure, Enron has become the default example for how narcissism affects the fraudulent behavior in the business world. The strong desire for power and dominance, along with the sense of self-right and self-worth, led to the demise of Enron. While there is no better leader than a passionate leader, as fraud examiners we need to remember that sometimes blind ambition can replace passion, which has the potential to lead to

fraudulent behavior. This is an issue in which our colleges and universities could have/should have an instrumental part in helping to curb the growth of these behaviors.

Business schools around the nation have the access and ability to do something to help prevent the rise of narcissistic qualities among students. According to Westerman et al, in their article "Are Universities Creating Millennial Narcissistic Employees? An Empirical Examination of Narcissism in Business Students and Its Implications" (2012<sup>ix</sup>), enhancing multiple perspectives and interpersonal sensitivity on a specific issue through amplified use of teamwork may decrease the levels of narcissism traits in the classroom. Instances of where business school professors act in "self-aggrandizing" and "me-first attitude" ways make it difficult for narcissism in students to be addressed. Monkey see; monkey do. Acting in a non-narcissistic fashion while in positions of authority and importance while teaching and leading by example by displaying proper behavior may contribute to lowered narcissistic tendencies in business school students.

Aside: While Academia is not necessarily the industry known for its humility, we Accounting professors do take this responsibility of molding future business leaders seriously and do what we can to tamp down individual overreach where it becomes a nuisance. Our product to the business community reflects directly on their development while under our tutelage. We want "Satisfaction Guaranteed" and aim to deliver the best product we can to market.

In conclusion, the prominence of narcissism appears to be continually on the rise among new college graduates. That steady increase, specifically in those graduating with business degrees, will most certainly have a positive correlation to the future commission of fraud in the workplace. Educators and future employers should take note that this will affect their workplace balance and they should be ready to adjust accordingly when those students become employees. We, as fraud examiners, just need to remember that with the rise in narcissism comes a rise in potential fraud, thus a rise in potential fraud consultation opportunities and/or investigations. We must remain vigilant of the master manipulator. If we have an understanding of the narcissist's motivations, then we are one step ahead of him and that's a great place to be in your investigation.

<sup>1</sup> Contributing researchers: Kacey Hawkshead and Cicely Janes.

<sup>1</sup> Nelson, C. (2013). Narcissistic Personality Disorder: Not Even a Diagnosis in 2013! *Journal of Psychology*, 40 (4), 293-305.

<sup>1</sup> Johnson, E. N., Kuhn, Jr., J. R., Apostolou, B. A., & Hassell, J. M. (2013). Auditor Perceptions of Client Narcissism as a Fraud Attitude Risk Factor. *Auditing*, 32 (1).

<sup>1</sup> Zagano, P. (2004). Spiritual Wisdom, Narcissism, and "Healthy Humility". *Journal of Pastoral Counseling*, 39, 19.

<sup>1</sup> Coenen, T. L. (2013). Essentials of corporate fraud: People who commit fraud. In [www.fraudessentials.com](http://www.fraudessentials.com)

<sup>1</sup> Traiser, S., & Eighmy, M. (2011). Moral Development and Narcissism of Private and Public University Business Students. *Journal of Business Ethics*, 99 (3), 325-334.

<sup>1</sup> Bergman, J. Z., Westerman, J. W., & Daly, J. P. (2010). Narcissism in Management Education. *Academy of Management Learning & Education*, 9 (1), 119-131.

<sup>1</sup> Duchon, D., & Burns, M. (2008). Organizational Narcissism. *Organizational Dynamics*, 37 (4), 354-264.

<sup>1</sup> Westerman, J. W., Bergman, J. Z., Bergman, S. M., & Daly, J. P. (2012). Are Universities Creating Millennial Narcissistic Employees? An Empirical Examination of Narcissism in Business Students and Its Implications. *Journal of Management Education*, 36 (1), 5-32.

## Book Recommendations

**My texts (and no one should ever be without them):** The texts I have currently in publication are: *Interviewing and Interrogation*, 2<sup>nd</sup> edition. *Fraud Related Interviewing, Persuasive Interviewing* and *Investigative Discourse Analysis 2<sup>nd</sup> Edition*. They can be ordered directly from Carolina Academic Press. (919) 489-7486 or online at <http://www.cap-press.com> or [www.amazon.com](http://www.amazon.com)

Below are the books I have read since the last issue:

*The Beginning of Infinity*, David Deutsch

*Humble Inquiry: The Gentle Art of Asking instead of Telling*, Edgar H. Schein

*Top Brain Bottom Brain: Surprising Insights into How You Think*, Kosslyn and Miller

*Split-Second Persuasion*, Kevin Dutton

*Moral Tribes*, Joshua Greene

*The Tell*, Matthew Hertenstein

Until the February 2014 issue, keep asking, keep looking and keep listening. The answer is there. Don

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