Fraud Red Team Testing

Jason Bartolacci, Red Team 27
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In today's rapidly evolving financial landscape, traditional fraud prevention measures are no longer sufficient. Fraudsters are becoming more sophisticated, leveraging emerging technologies and exploiting gaps in existing controls. This session will introduce the concept of Fraud Red Team Testing, a proactive approach that simulates real-world fraud scenarios to identify vulnerabilities before they can be exploited.

Learning Objectives:

- Understand how fraudsters are using advanced technologies such as artificial intelligence (AI), machine learning, and deepfake technology to create more complex and harder-to-detect fraud schemes.
- Learn why traditional fraud prevention measures, such as static rules-based systems and basic identity verification, are no longer sufficient.
- Gain insights into the concept of Fraud Red Team Testing

Jason Bartolacci co-founded Red Team 27 with his son, Dominic Bartolacci, to revolutionize the way banks and other organizations approach fraud readiness. Leveraging more than 25 years of experience in the industry, Jason has built a company that specializes in identifying gaps in fraud controls through practical and intelligence-driven methodologies.

Jason is a Certified Fraud Examiner (CFE), and a member of the International Association of Financial Crimes Investigators (IAFCI). He earned an undergraduate degree from the University of Pittsburgh, as well as graduate degrees from the University of Cincinnati and Carnegie Mellon University. With a diverse background that includes roles in law enforcement, criminal investigations, anti-money laundering (AML), fraud investigations, and intelligence analysis Jason brings a wealth of knowledge and experience to the table.

Dominic Bartolacci, co-founder of Red Team 27, is currently studying cyber security technology at the University of Maryland Global Campus where he has made the Dean's List the past two semesters. He is currently CyberSafe certified. The certification courses that Dom has completed are as follows: Network+, Security+, and CEH. Dom's various skills include but are not limited to virtual machines, AWS, cloud computing, Linux. hardware troubleshooting, network troubleshooting, and network security

Fireside Chat with the U.S. Department of Justice

Eric Young, Guidepost Solutions LLC
Alixandra Smith, U.S. Attorney's Office, Eastern District of New York



Attend a fireside chat with the US Department of Justice ("DOJ") Chief of the Criminal Division, Eastern District of New York, Alixandra Smith and moderated by Eric Young, Senior Managing Director of Guidepost Solutions and former chief compliance officer of some of the largest firms in the world. Understand the expectations of its latest DoJ guidance of an "effective compliance program", particularly focusing on artificial intelligence, whistleblower awards program, and voluntary self-disclosures. Learn about some of the lessons learned since 2021 since the initial announcement of the "Monaco Memo" and how incentives and consequences play a critical role in driving the right organizational ethics and compliance risk management program. Whether you are a for-profit or non-profit, or US-based or foreign-based company or organization including universities, it is important to address how today's and tomorrow's challenges can affect your fraud, compliance, cybersecurity, vendor risk management programs.

Learning objectives:
- Understand the Latest DoJ Guidance on Effective Compliance Programs
- Lessons from the Monaco Memo
- Address Current and Future Challenges in Compliance and Risk Management

Alixandra Smith is Chief of the Criminal Division, U.S. Attorney's Office, Eastern District of New York

Eric Young reengineers ethics & compliance programs to enable prudent business growth. He co-heads Guidepost's Financial Services practice and is a member of the National Security practice and Corporate Compliance practice .

He started his career with the Federal Reserve and was chief compliance officer and AML compliance head with JP Morgan Chase, General Electric, S&P Global Ratings, and four foreign banks including UBS and BNP Paribas.

He therefore brings deep regulatory, ethics and compliance experience at the enterprise, regional and consumer / corporate / institutional business levels across multiple industries / sectors.

Eric builds and sustains enterprise, retail / wholesale compliance programs aligned with the US DoJ Evaluation of Corporate Compliance Programs, COSO, Fed, CFPB, NY State, UK Financial Conduct Authority, FCPA, CFPB and Basel standards.

Eric also teaches Ethics & Corporate Compliance at Fordham University School of Law in New York City.

He is also an Advisory Board member of Compliance Week, and of multiple AI technology companies.

Eric graduated from Columbia University at the age of 20 with a degree in Economics, with multiple securities licenses with FINRA, and is ACAMS-certified.

He is a frequent speaker/author, and quoted in the American Banker, Wall Street Journal, Euromoney, Forbes, and Reuters.

Eric also authored the book, "Declaration of Independence – How Compliance and the Board Can Hold Management More Accountable".

Strategic Fraud Management in the Card Payments Ecosystem

Juan Alberto Funes Carniago, Mastercard



This session provides a fundamental introduction to card payments fraud for fraud professionals from diverse industries. We'll cover core concepts, including prevalent fraud types such as account takeovers, manipulation of cardholders, counterfeit card fraud, card-not-present fraud and velocity attacks. Participants will gain an understanding of essential metrics like the fraud-to-sales ratio, false positives, total transaction detection rate, and total value rate, all of which are vital for evaluating fraud risk and refining prevention strategies.

The session will also delve into the evolving fraud landscape, examining both traditional issues and new threats arising from digital advancements. We'll discuss emerging fraud techniques and the growing influence of Fraud as a Service (FaaS), offering insights into how these factors affect and shape fraud prevention efforts.

Learning Objectives:

- Card Fraud Fundamentals: By the end of this session, participants will have a clear understanding of the fundamental concepts of card fraud, including a clear understanding of various card payment fraud types as well as the essential key performance indicators.

- Understanding the Evolving Fraud Landscape: Participants will explore the latest trends and emerging threats in the card fraud landscape, including the impact of digital advancements and the rise of Fraud as a Service (FaaS).

- Integrate Cybersecurity and Enhance Cardholder Awareness: Participants will understand the relationship between cybersecurity and fraud prevention in the cards payment ecosystem, integrating security measures to protect against digital vulnerabilities, and learn best practices for educating cardholders to reduce their susceptibility to fraud schemes.

Bio statement:

More than 15 years in the Fraud Detection & Prevention Industry. Throughout my career, I've held many roles that have enabled me to provide strategic guidance to customers with different points of views. Some of my experience includes managing the end-to-end compromised card process for Banco Popular of Puerto Rico, writing efficient card fraud mitigation strategies for various financial institutions at Fiserv, conducting internal Fraud Risk Assessments at TIAA and representing UNFCU in CO-OP's Co-Creation Fraud Council.

In my first role at Mastercard, I developed and executed an education-based solution for issuers providing guidance on authorization processing, fraud controls, third party oversight and the implementation strategy of Key Management Policies that help strengthen the Fraud Risk Governance structure. In my current role, I am the global product manager of Mastercard's On Behalf Rules Services that help supplement an issuer's fraud mitigation strategies and enhance their overall decisioning. Since 2019, I have also led multiple educational fraud related webinars; most in Mastercard's Academy platform.

I have a BBA in Management, an MBA in Economic Crime & Fraud Management, have been a Certified Fraud Examiner for over eleven years and at one point in my career also was a Certified Anti-Money Laundering Specialist.

Cross-Border Investigation and Forensic Review - Asia

Sepia L.M. Chan, FTI Consulting



This training session is designed to equip participants with the skills and knowledge needed to conduct effective forensic investigations across various Asian jurisdictions, for example, Singapore, Japan, China, and Hong Kong. The session will explore the relevance of forensic investigations for U.S.-listed companies with operations in Asia. Attendees will examine the complexities of corporate due diligence, transaction reviews, and electronic data collection, with a particular focus on challenges unique to the PRC. Real-world case studies will be used to illustrate common pitfalls, while forensic investigative procedures will be highlighted to ensure a thorough and effective review.

Learning Objectives:
- Understand the relevance and importance of forensic investigations in Asia, particularly for U.S.-listed companies with operations in the region.

- Gain an understanding of the corporate due diligence process in key Asian jurisdictions.
- Identify common red flags in transaction reviews.
- Learn practical investigative procedures and techniques to enhance the effectiveness of forensic reviews.

Sepia L.M. Chan has extensive experience in forensic accounting, specializing in independent forensic investigations, regulatory reviews, and compliance advisory. With more than a decade of experience in Asia, Ms. Chan has assisted multinational clients across various industries, including banking, manufacturing, telecommunications and pharmaceuticals. She is skilled in collating qualitative information and quantitative data and performing complex analyses to drive investigation results, including complex financial and fact analysis, fund tracing, and compliance and risk assessment.

Ms. Chan has worked on behalf of special committees and their independent counsel, management in investigations surrounding allegations of fraud and misconduct, including cases of fraudulent financial reporting, misappropriation of assets, bribery and corruption investigations under the Foreign Corrupt Practices Act (FCPA). She has prepared and/or presented findings and observations to boards, C-suite management, and government regulators including the U.S.

Department of Justice-appointed monitor and Securities and Exchange Commission. Additionally, she has also advised clients on matters related to sanctions violations, and recommended solutions to remediate fraud risks and improve internal control.

All About the Money - A Change of Perspective on Human Trafficking Investigations

Myles P. Mahady, New Jersey State Police



According to a Department of Homeland Security 2022 report, Human Trafficking (HT) estimated annual profits for 2021 exceed $150 billion. HT encompasses labor and sex trafficking. Traditional approaches to combatting HT have primarily focused on enforcement of labor and prostitution laws. The presentation focuses on the mechanics of fraud committed by HT rings and customers within the financial system. The materials and examples used are from real adjudicated investigations. The takeaway for fraud examiners, investigators, and law enforcement is understanding how these criminal enterprises all operate using the same playbook. Understanding the playbook allows for inexpensive data gathering and analysis that results in detection, disruption and upon referral, often devastating prosecutions.

Attendees will learn:

- How to improve and apply techniques for identifying Human Trafficking operations/enterprises.
- How to identify and manage compliance shortfalls that may obstruct human Trafficking Investigations.
- How to recognize Human Trafficking flags.

Myles P. Mahady is an investigator for the Port Security Section of the New Jersey State Police. Prior to this he was the founder and principal of Clontarf Consulting, a boutique consulting firm specializing in Intellectual Property Rights (IPR), Human Trafficking (HT) and Money Laundering (ML) investigations and training for law enforcement and the private sector. He also served as a consultant for the Polaris Project Financial Intelligence Unit. The Polaris Project is a non-governmental organization that works to combat and prevent sex and labor trafficking. Myles retired from the New York City Police Department (NYPD) in 2019, having attained the rank of Detective Investigator 1st Grade. Myles served over 10 years on Homeland Security Investigations' (HSI) El Dorado Money Laundering Task Force, a unit that utilizes federal and state money laundering statutes against individuals and criminal organizations. Myles brings 25 years of experience in complex domestic and international investigations, combined with specialized financial crimes subject matter expertise. Myles holds a MA from John Jay College of Criminal Justice and is a licensed Private Investigator and Certified Fraud Examiner (ACFE).