



**Friday, May 30, 2014  
Fraud Brainstorming Meeting**

**2211 York Road, Suite 400, Oak Brook, IL 60523 Beginning at 1:15 p.m.**

**1. Roll Call**

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- A. Meeting begins at 1:15 p.m.

**2. Discuss Annual Review of Fraud Assessment**

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- A. May Meeting
- B. November Meeting

**3. Types of Fraud**

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- A. Fraudulent Financial and/or Actuarial Reporting
- B. Misappropriation of Assets or Information
- C. Improper or Unauthorized Expenditures
- D. Self-Dealings
- E. Violations of Laws or Regulations

**4. Evaluate Fraud Risk Factors Present or their Potential at IMRF or Within our Industry, Absent Any Internal Controls Focusing on IMRF as a Whole or Specific Areas Such as Investments, Benefit Payments, etc.**

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- A. Incentives/Pressures to Perpetrate Fraud
- B. Opportunities to Carry Out Fraud
- C. Attitudes/Rationalizations to Justify Fraudulent Action

**5. Identify Possible Fraud Schemes and Scenarios, Absent Internal Controls**

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- A. Consider Identified Fraud Risk Factors
- B. Consider the Possibility of Management Involvement
- C. Consider Collusion
- D. Consider Past Frauds or Allegations of Fraud at IMRF or within the Industry
- E. Change in Key Staff Positions

**6. Prioritize Identified Fraud Risks, from a Materiality Perspective for Quantitative and Qualitative Measures**

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- A. Type of Risk (See Item 2)

- B. Likelihood of the Risk and its Impact on Financial Statements
- C. Significance of the Risk and its Impact on Financial Statements
- D. Pervasiveness of the Risk and its Impact on Financial Statements
- E. Impact on the Financial Statements, Stakeholders and IMRF's Reputation

**7. Evaluate Whether Mitigating Controls Exist and if they are Effective**

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- A. Consider Management Override of Controls
- B. Consider the Possibility of Collusion

**8. Closing Comments**

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**9. Adjourn**

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- A. Motion to Adjourn