

#### Confirmation.com™

The world's leading provider of secure electronic confirmations.



#### Confirmation.com: Secure Confirmation Clearinghouse

- Improves productivity and reduces costs
- Increases financial fraud detection
- Supports green initiatives
- Cloud-based service



#### **Exclusively Endorsed by**



Corporation for American Banking, L.L.C.

# **AICPA** Trusted Business Advisor<sup>™</sup> Solutions

















# Confirmation.com

Processes millions of confirmations.

- Confirms more than \$1 Trillion in assets and liabilities annually
- Used in more than **100** countries
- Processing confirmations for **175,000** private, public, government, and not-for profit audited entities.





# Confirmation.com

- Network reaches **thousands** of banks
  - All of top 10 Banks
  - 70 of the top 100 Banks
- More than 12,000 registered CPA firms, Regulatory agencies and Internal audit departments
- 80,000+ auditors worldwide



# Confirmation.com An Award-Winning Solution

- 2011 Award for Best Audit Service
- Ranked #96 in 2010 Inc. 500 List
- Ranked #169 in 2011 Inc. 500 list
- 2010 Reader's Choice Award The CPA Technology Advisor
- "Ease of Use" Award for Tax & Audit Technology







#### Confirmation.com



# Corporate Responsibility: Environment

## Use of Confirmation.com has saved...

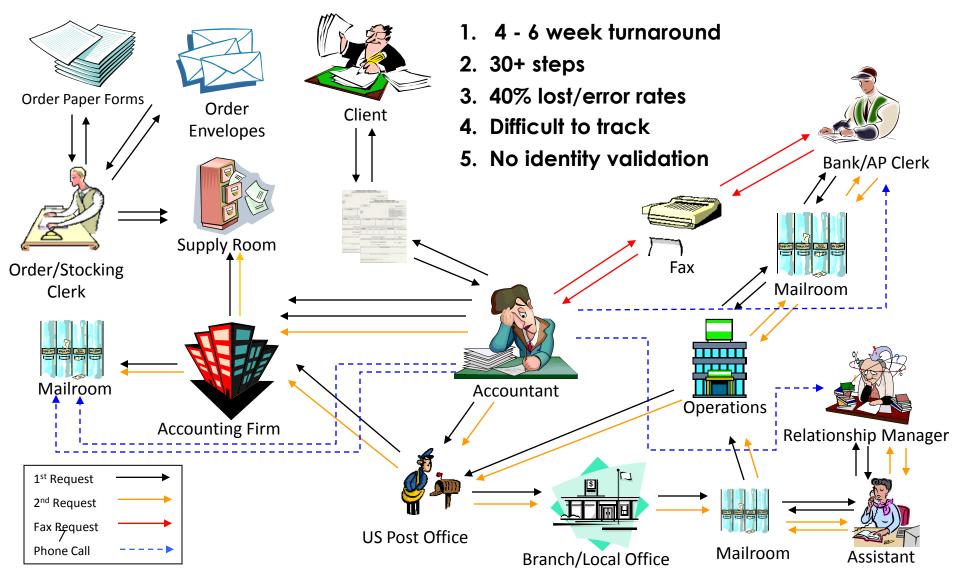
- 60,510 pounds of paper
- 577,110 gallons of wastewater
- 17,810 gallons of gas
- 1,011,450 pounds of greenhouse gases
  - 1,026,960 miles driven
  - 11,790 trees planted and grown for 10 years
  - 178,140 sq/ft of forest preserved





#### Outdated Mail and Fax Process

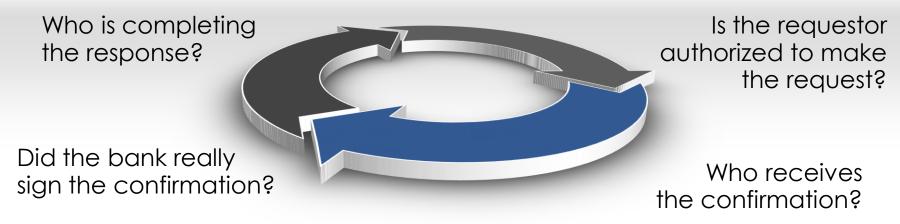
#### **Old Paper Confirmation Process is Inefficient & Ineffective**





## **Fraud Issues to Consider** re: the Paper Confirmation Process

Who has access to confirmation information in the response?



Who validated the return address on the confirmation?





# **Sample of Confirmation Frauds**



Europe's Largest Fraud - **\$4.9 Billion** fake confirmation – 2 Top 10 Firms both sued for \$10 Billion; Investors lost billions

India's Largest Fraud - **\$1 Billion** fraud using fake confirmations.



Multi-million dollar receivable confirmation fraud led to Bankruptcy and investors losing millions of dollars.



**\$5.1 Billion** of fake revenue missed by auditors in confirmation fraud.



**\$1 Billion** fraud with **\$525 million** of fake bonds confirmed by the auditors led to hundreds of millions of dollars of investor losses.



**\$1.4 Billion** fraud with **\$400 million** of fake cash by manipulating the auditor's confirmation procedures.



# **Sample of Recent Confirmation Frauds**

- Boshiwa (2012)
- Advanced Battery Technologies (2011)
- Olympus (2011)
- Sino-Forest (2011)
- China Biotics (2011)
- Longtop (2011)
- ShengdaTech (2011)
- China New Century Media (2011)
- China MediaExpress (2011)
- China Intelligent Lighting & Electronics
   (2011)
- NIVS Intellimedia Technology Group
   (2011)
- China Integrated (2011)
- Electronic Game Card (2010)
- Satyam (2009)
- Take-Two Interactive (2007)
- Refco (2006)
- Daisytek International (2006)
- Lipper Holdings (2006)
- Kmart (2005)
- Royal Ahold (2005)
- Just for Feet (2005)
- e-Safetyworld (2005)
- First American Health Concepts (2005)
- Del Global Technologies Corporation
   (2005)
- Parmalat (2004)
- Powerball International (2004)
- Suprema Specialties (2004)

- Vista 2000 (2004)
  - Warnaco (2004)
- Amicom (2004)

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- Northface (2003)
- Safescript (2003)
- Barings (2003)
- MicrosStrategy (2003)
- California Micro Devices (2003)
- Cronos (2002)
- Aura Systems (2002)
- Ebix (2002)
- PictureTel (2002)
- Healthsouth (2001)
- Allfirst Financial (2001)
- Quintus (2001)
- I&J Bagel/Manhattan Bagel (2001)
- American Bank Note Holigraphics (2001)
- Madera International (2001)
- Pier 1 Imports (2000)
- Three Point Digital (2000)
- Digital Lava (2000)
- Livent (1999)
- Just for Feet (1999)
- CF Foods (1999)

- Sunrise Medical (1999)
- Laser Photonics (1999)
- Financial Asset Management (1998)
- YBM (1998)
- Hybrid Networks (1997)
- Physician Computer Network (1997)
- Cambridge Biotech (1996)
- Pathe Communications (1996)
- Happiness Express (1995)
- Bio Clinic (1995)
- Northstar Health Services (1995)
- Kurzweil Applied Intelligence (1995)
- Standard Oil & Exploration of Delaware (1995)
- Refco (1991)
- Datamag (1991)
- BCCI Bank (1990)
  - RSI (1988)
- ZZZZ Best Carpet Cleaning (1987)
- 18 Utah Companies (1987)
- Flight Transportation (1985)
- Alpex Computer Corporation (1984)
- J.B. Hanauer & Company (1983)
- ....McKesson & Robbins (1930's)



**Industry Creator –** Creator and world's leading provider of secure electronic audit confirmations used by firms in more than 100 countries

All Top 10 Banks + Federal Reserve – Each of the Top 10 U.S. banks and the Federal Reserve respond to confirmations through Confirmation.com

All Top 100 Accounting Firms – All of the Top 100 U.S. accounting firms and 10,000+ firms in the world

Investor Confidence – Confirmation.com is used to confirm more than \$1 Trillion a year

**Patented Business Process –** Multiple U.S. patents granted with additional patent-pending in both in the U.S. and internationally.

"Fortunately, technology has caught up with the confirmation process."

 CPA Technology Advisor

"If the lower-level staff see the value in the product, then it must be good." – CPA Technology Advisor



#### Confirmation.com Flexibility



#### **Integrations: 3 Largest Audit Software Packages**



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#### Confirmation.com Flexibility





 Developed specific confirmation types and complex routing for Fed. Reserve Banks

#### McGladrey

- Integrated into the firm audit software solution
- Customized training for all the firms users

#### JPMorganChase 🤤

- Electronic fulfillment
- Confirmation completed
   by reviewer
- Files exchanged 5 times daily



### I Ernst & Young

- E&Y staff connect to confirmation platform seamlessly after validation by E&Y Intranet
- Integrated into E&Y New Hire Training course

#### Copyright 2014, Confirmation.com



- Customized management reports including reports on activity and office statistics
- Unique global firm profile set up and management



 Monthly file recapping activity with SunTrust billing codes fed directly into the billing system at bank

# BDO

Daily file with Client
 engagement numbers to enable
 timely and accurate data



#### Confirmation.com



# **Mobile App**













Bestätigung 确认 confirmación 덕

पुष्टिकरण conferma

確認





用戶登錄





的確認過程。

半年一次。

#### Tested & Trusted Technology



## **Confirmation.com Security**















- 24+ annual External Security Reviews including each of the Top 10 Accounting Firms and the majority of the Top 25 Banks
- ISO 27001/27002 review annually
- SOC1,2, & 3 examinations every six months
- TRUSTe Certified Privacy Policy
- EU Safe Harbor Certified
- SOC 1 Audited Hosting Facility
- SCIF Certified Hosting Facility by the Federal Government & Department of Defense (Sensitive Compartmented Information Facilities)
- PCI Compliant

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- Tested Daily to Comply with:
  - Health Insurance Portability and Accountability Act of 1996 (HIPAA)
  - Gramm-Leach-Bailey Act (GLBA)
  - Sarbanes-Oxley Act (SOX)
  - Extended Validated SSL for Website Identity Verification
- 128-Bit SSL Encryption/HTTPS throughout Site
- 128-Bit Triple Des Encryption of All Sensitive Data
- Daily Third-Party Vulnerability & Penetration Testing





## Testimonials – Banks

"It's user friendly and just easy to use."

"It's paperless." JPMorganChase 🕻

"Less paper." **ZFIRST TENNESSEE**.

"It makes the process more standard and secure." SVB

"One place for confirmations." PlainsCapital Bank

"It's quick."

"It is a lot less paper work."

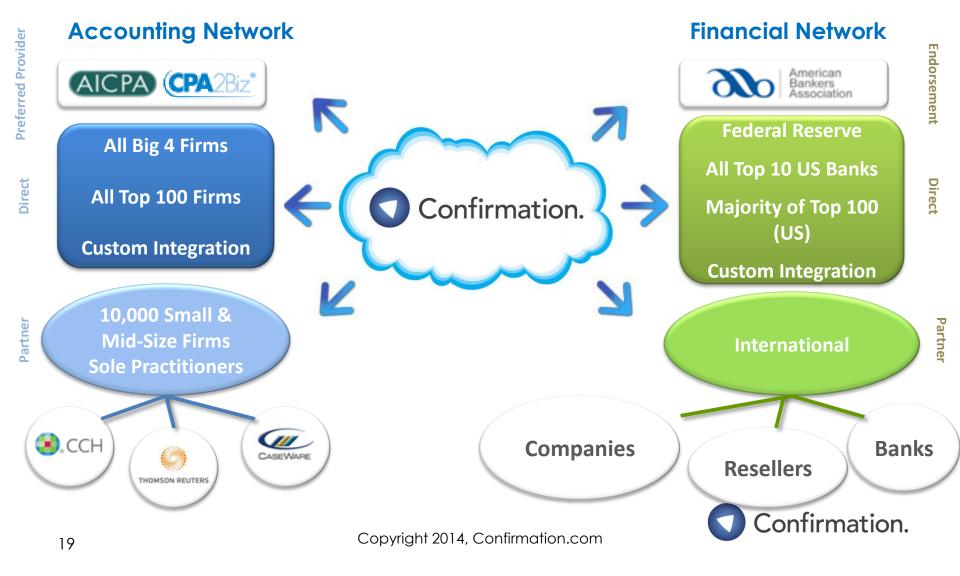




#### Confirmation.com



## **Global Network**





# Fraudulent Electronic Confirmation Processes



#### **Fake Address**



#### Creating a Fraudulent – Legitimate Street Address is Easy: UPS Store Brochure



Fraudsters no longer have to use PO Boxes and they can have all their mail forwarded to them.

Every aspect of your business matters. Including the address.

Your business address speaks volumes about who you are—and what your company is about. When you don't want to use your home address, but a P.O. box doesn't project the professional image you need, we have the solution.

Mailbox services from The UPS Store. We give you a real street address, not just a box number. And that's only the beginning. From convenient Call-in MailCheck<sup>™</sup> to 24-hour access and much more, we invite you to discover the many services you'll receive as a mailbox holder with The UPS Store. A number of advantages... all in one mailbox.

Mailbox services at The UPS Store offer convenience, professionalism, and an array of benefits to make your life easier:

 A real street address, not a P.O. box: A private mailing address gives your business the professional image you want.

- Package acceptance from all carriers: We'll hold your packages in a secure location for pickup at your convenience.
- Package notification: We'll let you know when a package arrives for you.
- Call-in MailCheck<sup>™</sup> Save a trip... call to find out if you have new mail.

 Mail holding and forwarding: Just let us know when and where. The UPS Store

- Receipt of oversized parcels: Large packages are no problem for The UPS Store.
- 24-hour access: Pick up your mail and postal deliveries any time, day or night."
- Peace of mind: You no longer have to wait at home for a package delivery or risk having valuable shipments left on your doorstep.
- Convenience: The UPS Store also provides copying, binding, printing and a variety of document finishing services... so you can take care of business while you take care of the mail.

Mailbox services are provided at every one of our locations. You'll also find most of the postal products and services you need at your neighborhood The UPS Store. Ask us for details.

\* Additional fees may apply. \*\* Available at participating locations.

#### Buying a URL/Website for \$168.40

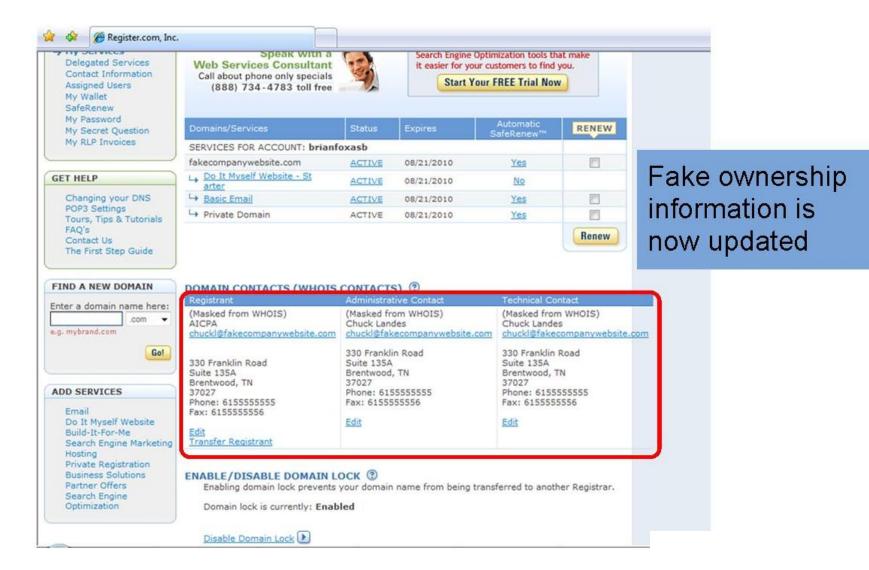
Questions? Call us toll-free 24/7 at: register.com on't just make a website. Make an impact. Add eMail **Build a Website** Get a Domain Host a Website Secure Your Site **Market Your Site** Learn Your Account Log In Your Shopping Cart Term Auto Renew 🖸 Price Item Ability to pay fakecompanywebsite.com Free with Do-It-Myself Standard Website remove \$11 to hide the Do-It-Myself Standard Website \$142.45 for 1 year \$142.45 4 remove Basic Email Edit Domain \$14,95 for 1 year 1 \$14.95 remove true ownership Private Domain Registration 1 \$11.00 1 year remove Add Professional Email of a website. Add SEO Advanced Tools Total: \$168.40 We've added Private Domain Registration to each Domain to prevent spam and keep your personal contact information hidde Proceed to Checkout Purchase: 1 URL 2. Website development tools k Guarantees on all of our products and services 3. Email service 4. Feature to hide the ownership information All for just \$168.40

#### **Entering Fake Ownership Information is Simple**

register	com°	CPAdire	We will	HELP FINDI	right CPA	
DON'T JUST MAKE A WEBSITE, MA	KE AN IMPACT.		for you	and/or your busin	ness	
HOME DOMAINS	EMAIL WEB SIT	ES HOSTING	ECOMMERCE	MARKETING	YOUR BUSINESS	
HELLO, brianfoxasb		HY ACCOUNT: LOG	OUT VIEW CART	CUSTOMER SUP	PORT FAQS WHOIS	
MY ACCOUNT	EDIT WHOI	S INFORMA	TION			
brianfoxasb My Services Delegated Services	Company: First Name:	AICPA Chuck				ownership
Contact Information     Assigned Users     My Wallet     SafeRenew     My Password	Last Name: Email:	Landes chuckl@fakecompa	nywebsite.com		informatio <i>Whoi</i> s Info	
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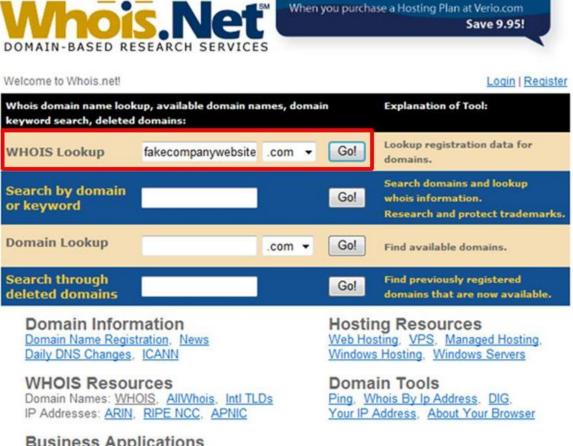
Copyright 2014, Confirmation.com





Illegitimate Website Ownership Information on WhoIs

Type in the website URL



**FREE DOMAIN** 

When you purchase a Hosting Plan at Verio.com

**Business Applications** Microsoft Exchange 2007. Business Productivity. SugarCRM Professional, McAfee Total Protection, PC Data Backup



#### WHOIS information for fakecompanywebsite.com :

[Querying whois.internic.net] [Redirected to whois.register.com] [Querying whois.register.com] [whois.register.com]

The data in Register.com's WHOIS database is provided to you by Register.com for information purposes only, that is, to assist you in obtaining information about or related to a domain name registration record. Register.com makes this information available "as is," and does not guarantee its accuracy. By submitting a WHOIS query, you agree that you will use this data only for lawful purposes and that, under no circumstances will you use this data to: (1) allow, enable, or otherwise support the transmission of mass unsolicited, commercial advertising or solicitations via direct mail, electronic mail, or by telephone; or (2) enable high volume, automated, electronic processes that apply to Register.com (or its systems). The compilation, repackaging, dissemination or other use of this data is expressly prohibited without the prior written consent of Register.com. Register.com reserves the right to modify these terms at any time. By submitting this query, you agree to abide by these terms.

#### Registrant:

AICPA Chuck Landes 330 Franklin Road Suite 135A Brentwood, TN 37027 US Email: chuckl@fakecompanywebsite.com

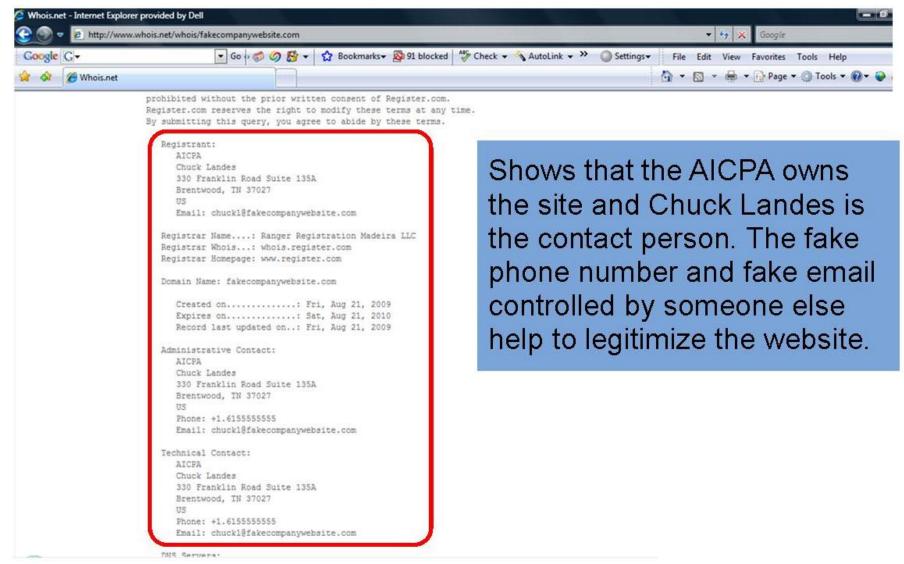
Registrar Name...: Ranger Registration Madeira LLC Registrar Whois...: whois.register.com Registrar Homepage: www.register.com

Domain Name: fakecompanywebsite.com

Created on..... Fri, Aug 21, 2009 Expires on..... Sat, Aug 21, 2010 Record last updated on..: Fri, Aug 21, 2009 Verify that Chuck Landes and the AICPA own this URL.

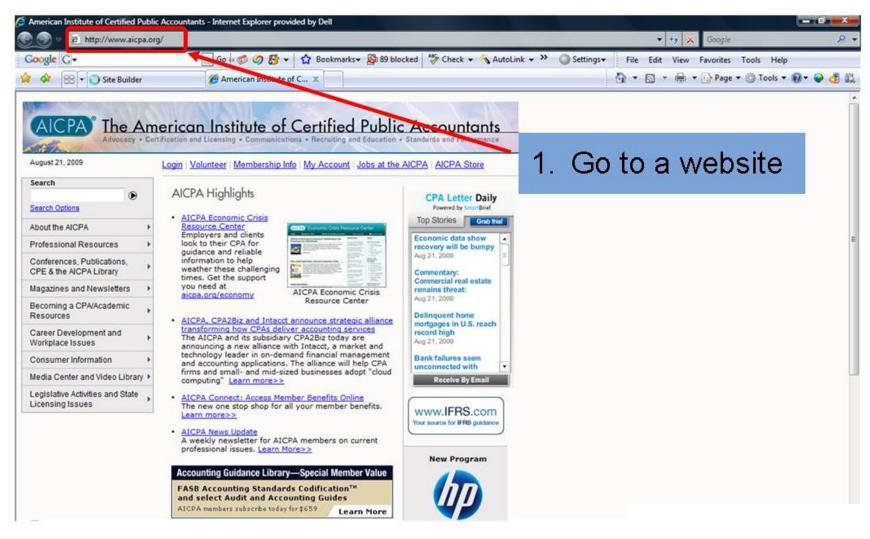
Note that the address appears to be a real street address when in fact it is a PO Box.



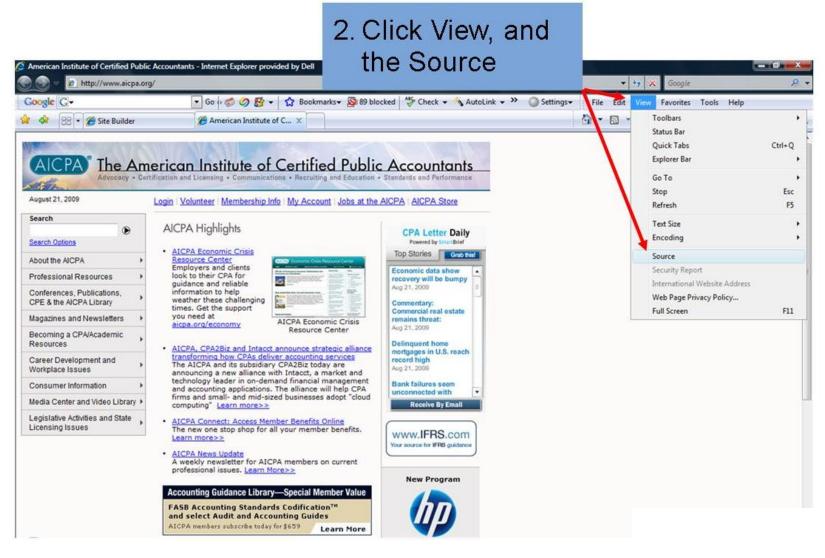




#### Fake Website – Getting Source Code





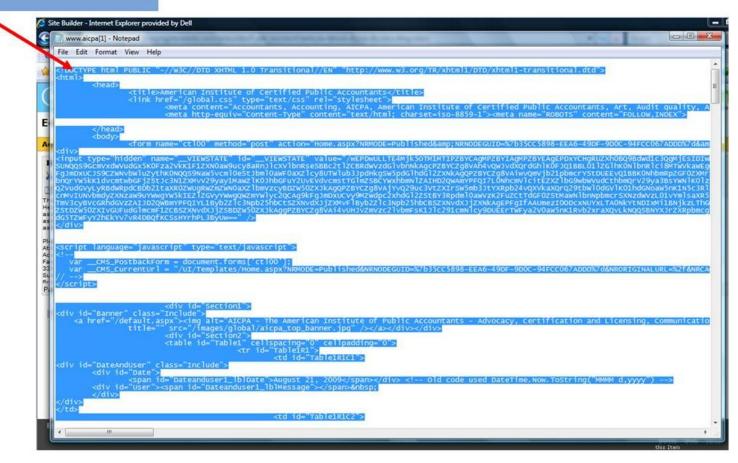


# The site's Source Code will appear.

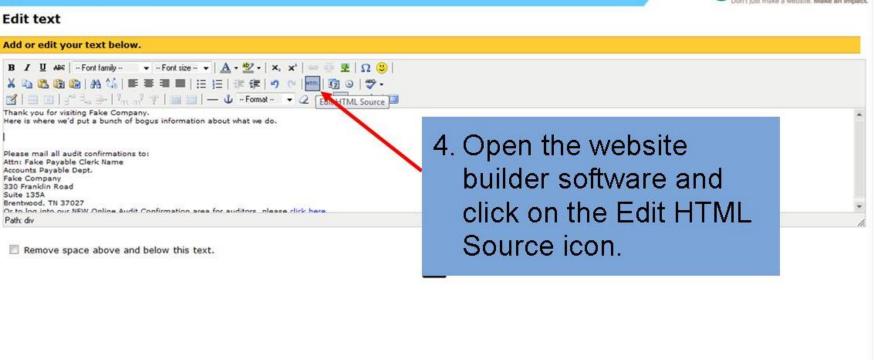
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#### 3. Copy the Source Code



#### 🕭 Site Builder

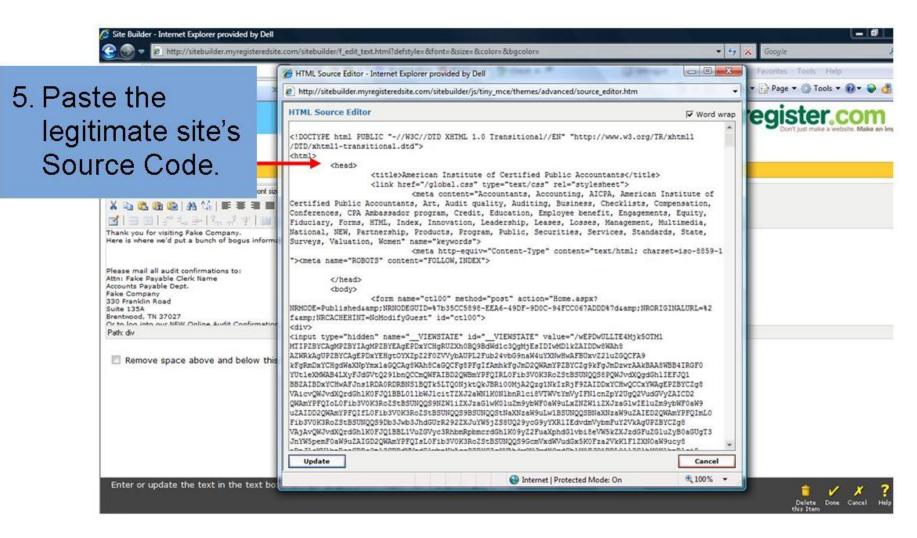


Enter or update the text in the text box at the top of this screen. Then click a "Done" button.

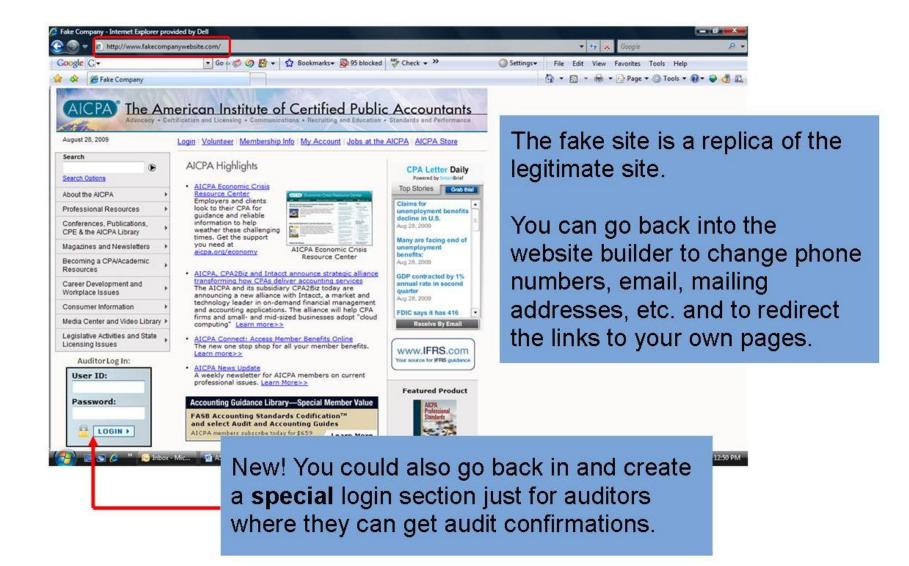




register.com







## Fake Email



#### Sending a Fake Email

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d: 4,2 mb Limit: 200 mb	Save					
🗟 Email	General User Settings					
> INBOX	Full name: Chuck Landes Reply to: dandes@sicps.org					
Sent Deleted IMIP Address Books Rules Preferences	Forward to: chuck landes					
	Show message preview pane					
	Change Password					
	New password: Retype password:					
	Composing Default message encoding: Unicode (UTF-8) Default new message style: HTML Open compose in: same window Save copy of outgoing messages in sent folder Save recipients by default Enable autosuggest for contacts	<ol> <li>Within your User Preferences for your email, change who you want the email to be from.</li> </ol>				
	Forwarding					
	Replying					
	Include original message					







# 2. Create and send an email.

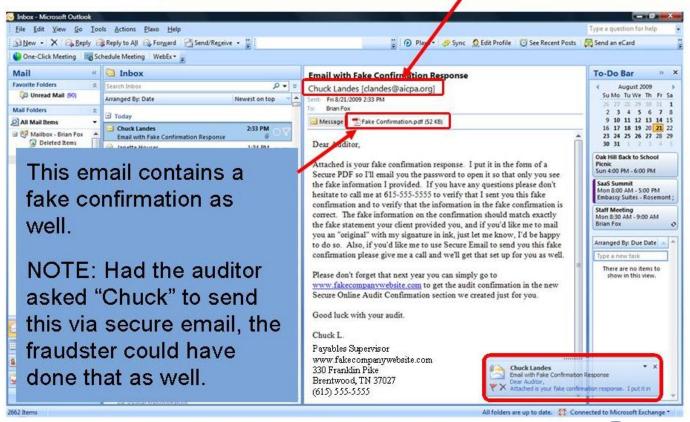
THEWITCH	Logged in as: brianfox   Log Out   @He
LI IMail Server we	
Used: 4.2 mb Umit: 200 mb	New Message       Send     X Cancel       To     brian.fox@confirmation.com
	Subject: Email with Fake Confirmation Response Save recipients to the following Address Book: Contact File to attach: A phone number is provided in case the auditor wants to "call and verify the contents of the email" with the fraudster.
	Dear Auditor, Attached is your fake confirmation response. I put it in the form of a Secure PDF so I'll email you the password to open it so that only you see the fake information I provided. If you have any questions please don't hesitate to call me at 615-555-5555 to verify that I sent you this fake confirmation and to verify that the information in the fake confirmation is correct. The fake information on the confirmation should match exactly the fake statement your client provided you, and if you'd like me to mail you an "original" with my signature in ink, just let me know, I'd be happy to do so. Also, if you'd like me to use Secure Email to send you this fake confirmation please give me a call and we'll get that set up for you as well. Please don't forget that next year you can simply go to <u>www fakecompanywebsite.com</u> to get the audit confirmation in the new Secure Online Audit Confirmation section we created just for you. <b>Wernel</b> MIML QPreview



### **Fake Email**



The email will appear to be legitimate even though it is not. You can even provide your fake contact information.







## Testimonials – CPA Firms

"I like your customer support staff." pwc

"It's a win-win situation." - Greg Shelton, Sole Practitioner

"I can literally get a response within an hour."

Reznick Group

"What's not to like about Confirmation.com?" - Lori Beirman, Dannible & McKee, LLP

"Simple and easy to implement."







# To learn more, visit Confirmation.com

