



2023 WICPA FINANCIAL INSTITUTIONS CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:



CURRENT ISSUES IN BUSINESS ETHICS

Get an update in business ethics based on real-world ethical violations, including attitudes of others and laws CPAs must follow and the consequences of not doing so



ACCOUNTING & TAX LEGISLATION UPDATE

Learn about the most recent tax law changes that impact you and your financial institution



INVESTING THROUGH THE NOISE

Find out about the outlooks for growth and inflation, assessments of interest rates and risks and opportunities in global stock and bond markets

WEDNESDAY, MAY 10 | WICPA OFFICE & WICPA CPE LIVESTREAM

MATERIALS AT A GLANCE

The following materials are from the afternoon sessions of the 2023 WICPA Financial Institutions Conference held on Wednesday, May 10, including:

- Digital Transformation
- Regulatory Update
- Solving the Talent Problem: How smart benefit programs are leveling the playing field for Small and Mid-size Businesses
- Current Issues in Business Ethics

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Details



Tues. June 13, 2023



8:15 am to 12:15 pm



Brookfield

Conference Center

325 S Moorland Road
Brookfield, WI 53005

Speakers & Topics:

MANUEL ROSADO | President of Spectrum Investment Advisors

- Retirement Plan Trends - Secure Act 2.0 to Financial Wellness

MIKE LYNCH | Managing Director of Applied Insights

- 8,000 Days: Envisioning Retirement in a New Way

EMILY ROLAND, CIMA | Co-Chief Investment Strategist

- Economic & Financial Markets Review

CHARLIE PLUMB | Former Navy Fighter Pilot and Prisoner of War

- Tough Choices in Challenging Times

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12:20 – 1:35 p.m.

Digital Transformation

Ben Brockman, CAMS, *Risk Consulting Manager, RSM US LLP*

EMBRACING YOUR COMPETITIVE ADVANTAGE BY BRINGING YOUR DIGITAL TRANSFORMATION STRATEGY TO LIFE

WICPA

May 10, 2023

With you today



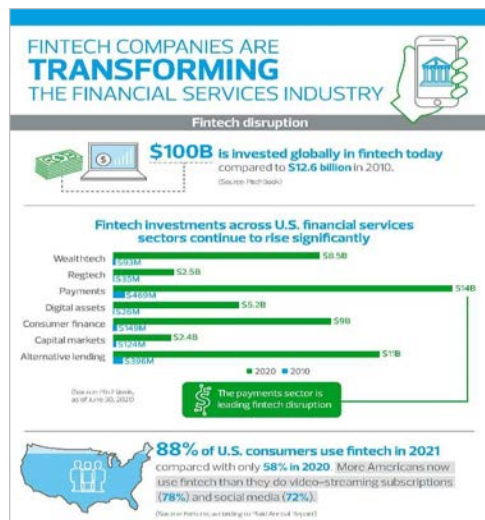
Ben Brockman ben.brockman@rsmus.com

Manger, RSM US LLP 312.634.4452

Ben is a national manager at RSM and serves as a leader in RSM's risk consulting practice. He has over 15 years of experience working exclusively with financial institutions ranging from community banks to some of the largest global banks in the world. Ben is recognized for his deep subject matter expertise in the areas of BSA/AML and fraud along with his experience assisting clients with remediation and resolution of regulatory matters.

FINTECH AS A MOVEMENT

FinTech as the driver for automation



FINTECH AS A MOVEMENT

And how to build a road map for the path forward

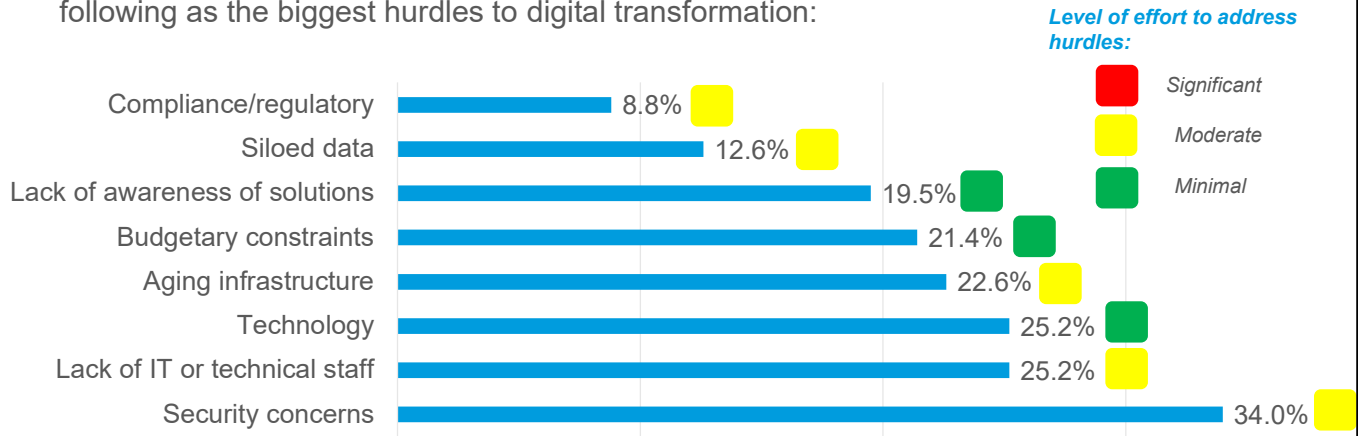
- Does the company have a digital agenda and/or strategy?
- Are there segments of the business that the company wants to heavily digitize?
- Does the company have a chief digital officer or customer experience officer who can address the long-term sustainability of the business?
- Build, buy or rent? Assess options for responding to disruption, whether through building fresh solutions internally, making strategic acquisitions or partnering with fintech companies.
- How is the company evolving to meet customer demands and shareholder needs more broadly?

“When most people think about fintech, they think about startup companies disrupting the landscape of financial services,” says Peter Brady, RSM US national financial services leader. “And while that’s true, the bigger story is in how the landscape is responding to the fintech companies.”

Digital transformation hurdles

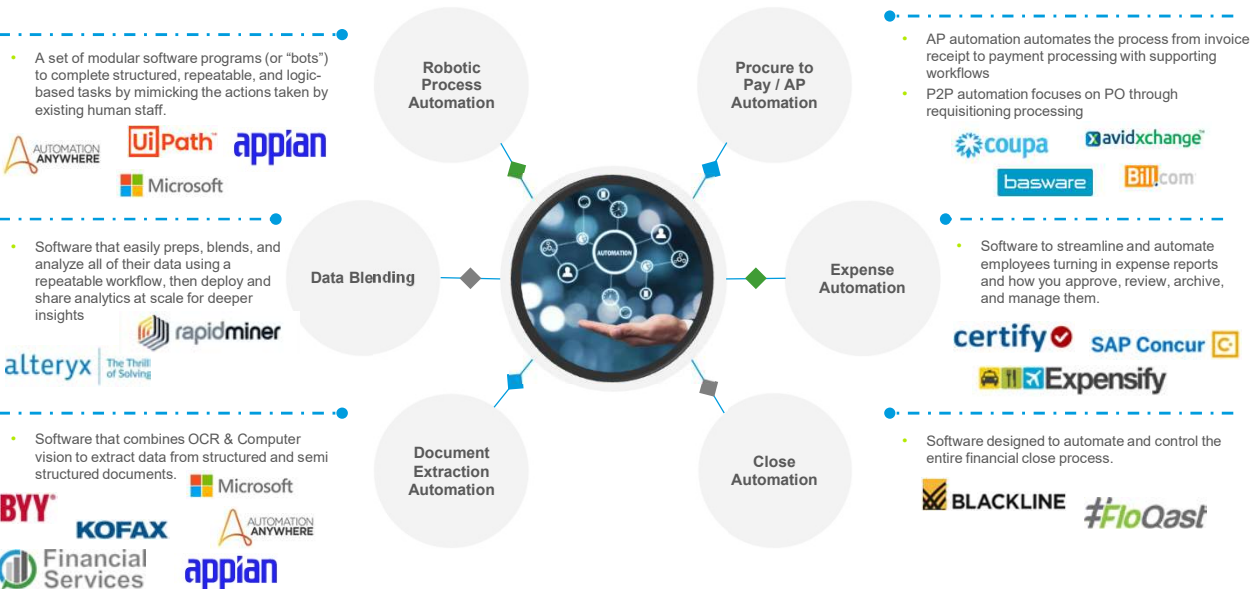


According to a report by Genesys and BankingDive, bank respondents indicated the following as the biggest hurdles to digital transformation:



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Proven automation technologies



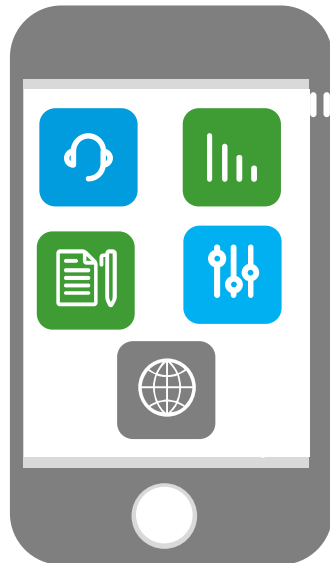
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THE DIGITAL TRANSFORMATION JOURNEY

Considerations for effective automation and digital transformation

- What are we trying to accomplish?
 - Does automation reduce friction resulting in improved customer/user experience?
 - What is the associated market opportunity or efficiency gain we capture?
 - Are we automating a bad process?
- What is the ROI?
 - New business or increased profitability
 - Improved efficiencies and risk mitigation
 - Higher level of customer/user satisfaction
- How viable is the proposed project/change?
 - Will our customers engage?
 - Will our employees adopt? Is it too much change at once?
 - How does this fit into our current process/workflow/culture?
 - Can we manage the growth?

Where to begin your digital transformation journey



Building an effective digital transformation strategy

Many institutions struggle with digital transformation due to the lack of an effective strategy. A common struggle is due to a lack of governance over the transformation process. A solution to this common challenge is to establish a digital transformation strategy that governs the institution's process for evaluating, prioritizing and executing digital transformation projects.

The use of a model transformation framework, as outlined below, provides an excellent starting point for identifying and evaluating digital transformation opportunities, holistically, across the enterprise.

Customer Experience	Financial Reporting	Compliance	Credit and Loan Ops	Retail
<ul style="list-style-type: none">• Self-service• Account updates• Mobile banking• Call center• Fraud prevention	<ul style="list-style-type: none">• Reconciliations• Journal entries• Regulatory reporting• Payables• Expense reimbursement	<ul style="list-style-type: none">• BSA/AML• Lending compliance• Deposit compliance• Fair lending• CRA	<ul style="list-style-type: none">• Loan approval• Application status• Servicing• Underwriting• Loan monitoring	<ul style="list-style-type: none">• Online account opening• Wealth management and trust• Digital assets• Business banking

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Key questions to consider when evaluating process automation

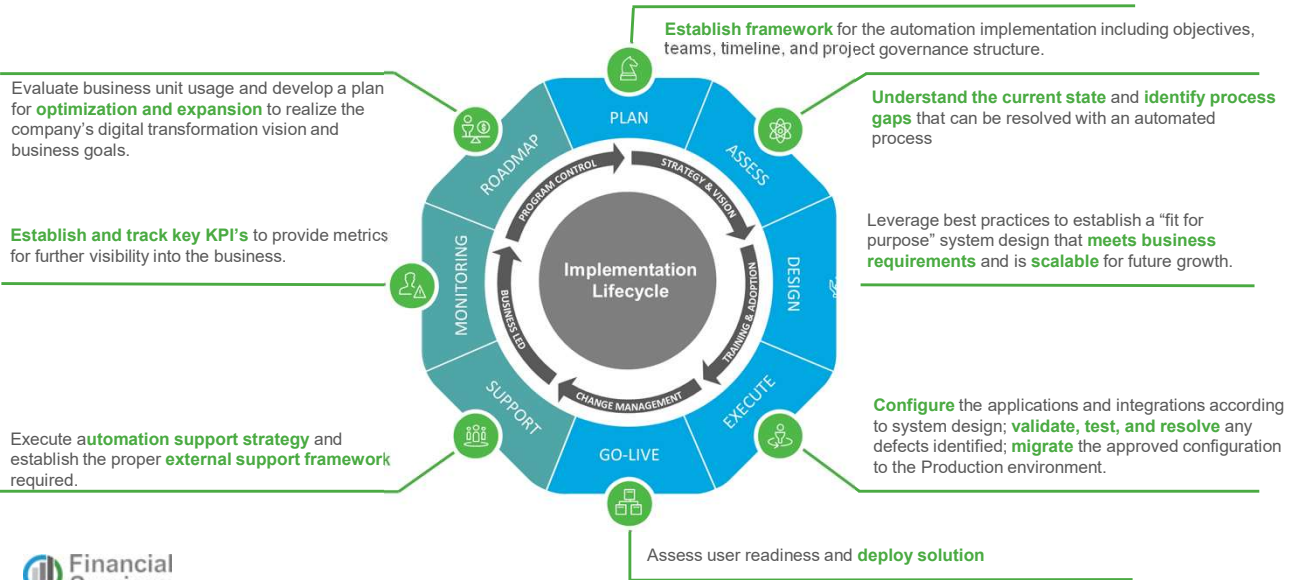


- Does the process require a high volume of manual tasks or multiple parties to execute the tasks?
- Require use of spreadsheets or documents?
- How does task hand-off occur between parties?
- Is the current process prone to errors?
- Does the process require a complete and accurate audit trail for record keeping and compliance?
- Are tasks associated with the process time-sensitive or have an impact on other processes/systems?
- Does the process lack standardization and transparency?



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Automation development and implementation framework



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1:45 – 2:35 p.m.

Regulatory Update

Patrick Murphy, J.D., *Shareholder, Godfrey & Kahn, S.C.*

WICPA Regulatory Update

Patrick Murphy – Godfrey & Kahn, SC

GODFREY & KAHN_{SC}

MILWAUKEE | MADISON | GREEN BAY | APPLETON | EAU CLAIRE | WASHINGTON, D.C.

Post Mortem of the Recent Bank Failures

- ▶ Silicon Valley Bank (Santa Clara, CA) 3/10
 - ▷ 2nd Largest Bank Failure since 2008 (\$209B assets and \$175B deposits – 94% uninsured)
 - ▷ Acquired by First-Citizen Bank & Trust Company
 - ▷ Deposit Concentration – Start-ups and PE
 - ▷ ALCO “Strategy”
 - ▷ Bad management

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Post Mortem of the Recent Bank Failures

- ▶ Signature Bank (New York, NY) 3/12
 - ▷ 3rd Largest Bank Failure since 2008 (\$110B assets and \$89B in deposits – 90% uninsured)
 - ▷ Acquired by Flagstar Bank, NA
 - ▷ Bank run triggered by SVB collapse
 - ▷ Concentration in the wrong types of customers:
 - ▶ Crypto – (FTX collapse)
 - ▶ Taxi Cab Medallions (Ride-sharing competition)

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Post-Mortem of Recent Bank Failures

- ▶ Credit Suisse Group AG (Switzerland)
 - ▷ Second largest bank in Switzerland (1.4 trillion assets)
 - ▷ Bank under siege since 2019 amid a series of scandals, management shifts and significant losses
 - ▷ Saudi National Bank largest shareholder
 - ▷ Acquired by UBS

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Regulatory Response

- ▶ Guaranteed 100% of deposits of both SVB and Signature Bank
 - ▷ Hard cases make bad law?
- ▶ Bank Term Funding Program
 - ▷ \$76.7B of total \$164B program funded since inception (through 4/13)
 - ▷ Banks are largely sticking with what they know
 - ▷ Wider collateral available for discount window
 - ▷ Primary discount window has lower rates

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What Other Changes May Be In Store?

- ▶ Unlimited FDIC insurance for all?
- ▶ Tougher capital and liquidity regulations on sub-\$250B institutions?
- ▶ Deposit concentration limits?
- ▶ Caps on insured deposits?

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Potential Impact on Bank Mergers & Acquisitions

- ▶ New focus of Due Diligence on deposit concentration?
- ▶ Impact on Deposit Premiums in branch and M&A deals?
- ▶ Impact of AOCI adjustments?
- ▶ Impact of any Bank Term Funding Program borrowings

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Credit Union Acquisitions of Wisconsin State-Chartered Banks

- ▶ Wings Financial CU acquisition of Settlers Bank would be 7th such deal, 4 of which were by out-of-state credit unions (tied for 3rd in US)
- ▶ WBA challenging the permissibility of such transactions under Wisconsin law
 - ▷ No express authority in Chapter 221 (although there is in Chapter 214 – State Savings Banks)
 - ▷ Legislative history provides clear evidence of intended separation of bank and CU acquisition schemes.

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Credit Union Acquisitions of Wisconsin State-Chartered Banks

- ▶ Impact on Acquisition multiples
- ▶ Wisconsin banks losing out on opportunities to grow through acquisition
- ▶ Unlevel playing field
- ▶ Banking industry in Wisconsin is “at risk”
- ▶ Legislative fixes always being considered to even the playing field as well

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Impact of Rising Interest Rate Environment on the Industry

- ▶ AOCI Adjustments
- ▶ Reduced loan demand
- ▶ Competition for deposits (putting pressure on NIM)
- ▶ Capital stack
 - ▷ Sub debt market has dried up
 - ▷ May see more equity raises

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Other Regulatory Hot Buttons

- ▶ CFPB rulemaking on Junk Fees
 - ▷ Credit card late charges
 - ▷ NSF fees
- ▶ Beneficial Ownership reporting
 - ▷ Applicable to Domestic and Foreign Reporting Companies (many exceptions apply)
 - ▷ Implication on Bank responsibilities under BSA

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Other Regulatory Hot Buttons

- ▶ Proposed total Ban on Non-Compete Agreements
- ▶ Current state of Data Security Breach notification requirements
- ▶ Third party risk management (FinTech focus)
- ▶ CRA compliance
- ▶ Dodd-Frank Act Section 1071

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Other Regulatory Hot Buttons

- ▶ Libor Update
- ▶ Change in Bank Control Act scrutiny
- ▶ Big Data
- ▶ Others?

GODFREY & KAHN S.C.

Questions??

- ▶ Patrick Murphy
- ▶ Godfrey & Kahn, S.C.
- ▶ pmurphy@gklaw.com
- ▶ 414-287-9222

GODFREY & KAHN S.C.

2:45 – 3:35 p.m.

Solving the Talent Problem: How Smart Benefit Programs Are Leveling the Playing Field for Small & Midsize Businesses

Ben Zang, *Employee Benefits Consultant, Transition Health Benefits*

HEALTH BENEFITS FOR SMALL BUSINESS

Solving the Talent Problem: How smart benefit programs are leveling the playing field for small and mid-size businesses.



The Great Resignation continues, as 44% of workers look for a new job

In a Glassdoor survey, around 60% of respondents reported that they strongly consider perks and benefits offered before accepting a job offer. In addition, 80% of employees prefer additional benefits over a pay increase.

Interesting Fact alert!

- MIDDLE-AGED WORKERS ARE THE MOST LIKELY GROUP OF PEOPLE TO MAKE A MAJOR CAREER CHANGE.
- THE AVERAGE AGE THAT MOST EMPLOYEES MAKE A MAJOR CAREER CHANGE IS 39 YEARS OLD. EXPERTS POINT TO LESS FINANCIAL RISKS AND PERSONAL STRESSES AS THE MAIN REASONS 39-YEAR-OLD WORKERS SEEK SUCH SIGNIFICANT CAREER SHIFTS.
- IN ADDITION TO THE AVERAGE AGE OF JOB HOPPERS, IT'S ALSO IMPORTANT TO NOTE THAT MOST PEOPLE LOOKING TO SWITCH CAREERS ARE NOT IN IT FOR THE MONEY. IN FACT, 58% OF PEOPLE SURVEYED BY INDEED SAID THAT THEY WOULD BE WILLING TO TAKE A PAY CUT TO MAKE A MAJOR CAREER CHANGE.

The Opportunity

- As Employees search for meaning, small businesses give them the meaning they are looking for along with a power full sense of belonging
- The next question employees are asking is, will this move hurt my family's future. Can they see a doctor, get braces, get anibiotics.

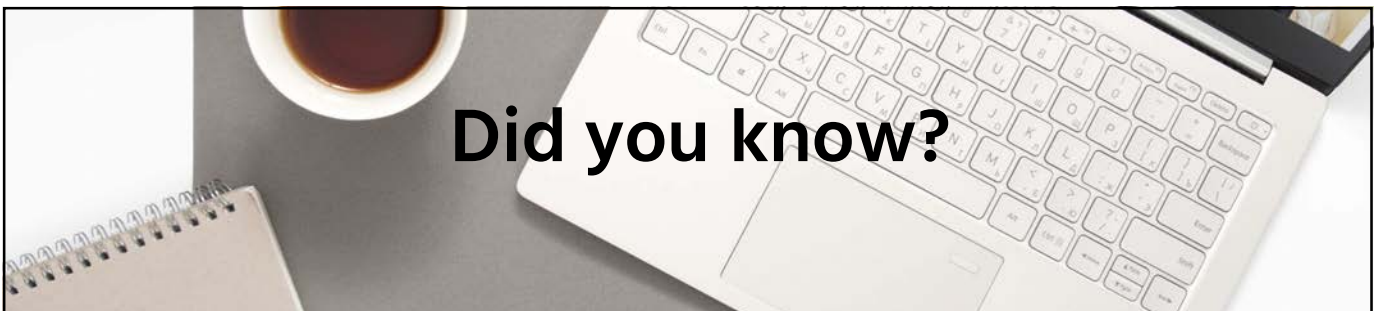


Health Insurance

The engine that drives Employee Benefits.



Did you know?



Under the ACA, employers with 50 or more full-time employees (or the equivalent in part-time employees) must provide health insurance to 95% of their full-time employees or pay a penalty to the IRS. This penalty is quite hefty—\$3,860 per employee per year (in 2020).

For small employers, benefit plans tend to be offered on a voluntary basis: there is no legal requirement that small employers provide health or welfare benefits to their employees.

**Small
Business
options for
taking
care of
thier
Employers**

- Do Nothing
- Partnering your people with an Expert in the market place
- Fully Insured Plans
- Level Funded Plans
- ICHRA's
- DPC and Med Share plans



One of the simplest things you can do
is hire an expert for individual
Insurances

Experts can educate your employees like

- Deductible
- Premium
- Max out of Pockets
- HSA,s
- HDHP
- How do Drugs figure in .
- Plan Design



Small Market ACA Rates

- Age Banded Rate
- Little Risk
- NO Discrimination against Preexisting conditions
- Fully Guaranteed Rates
- Mandated Plan designs
- 1 plan design for everyone in the group



Level Funding

- Created for small Businesses
- Allows the Insurance company more data to help hone the risk/premium
- Employees fill out a questionnaire



+



+



=

Small Business
Opportunity

-
- Under the Affordable Care Act, health insurance companies can't refuse to cover you or charge you more just because you have a "pre-existing condition" — that is, a health problem you had before the date that new health coverage starts. They also can't charge women more than men.
 - The ICHRA was originally created in 2019 to help control costs and address ACA compliance for applicable large employers, but in January 2020 it became available for businesses of all sizes.
 - Subsidy eligibility has been greatly – albeit temporarily – expanded as a result of the American Rescue Plan.

I	Individual
C	Coverage
H	Health
R	Reimbursement
A	Arrangement



Why ????

- Completely Customizable
- Can be broken down into 11 categories
- Allows for a fixed budget amount
- Gives the ability to use the Marketplace subsidies to an owners advantage
- Can actually create a Large business program on small business dollars
- Individual support for each of your employees

Using ICHRA's has the ability to free up budget dollars for benefits like:

- 401 Ks
- Simple IRA
 - Dental
 - Vision
- Life Insurance
 - Disability
- Key-person Insurance



Family Glitch

On October 11, 2022, the Internal Revenue Service (IRS) and the Department of the Treasury issued a final rule to revise a 2013 interpretation on premium tax credit eligibility for families. This change fixes the so-called “family glitch” by newly extending eligibility for marketplace subsidies to many dependents of low-wage workers who were previously ineligible.



Down the Rabbit Hole

Direct Primary
Care and Cost
Sharing Plans



The Sum of all Parts





Do you have any questions?

3:45 – 4:55 p.m.

Current Issues in Business Ethics

Boz Bostrom, CPA, MBT, *Associate Professor of Accounting & Finance, College of Saint Benedict Saint John's University*

Current Issues in Business Ethics – 2023

Boz Bostrom, CPA

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May 10, 2023

Learning Objectives

- Understand the attitudes of other related to ethics
- Understand laws, rules and regulations which apply to CPAs and finance professionals
- Understand consequences of violating the laws, rules and regulations
- Understand and learn from current ethical violations
- Understand principles of ethical leadership

Understand attitudes toward ethics

**Which profession does the public vote as the most honest/ethical?
Gallup poll taken every December**

- Nurses were added to the rankings in 1999 and rated the highest every year except one
- Which year was the exception? Which profession won?



Above Average

Below Average

- Nurses
- Medical doctors
- Telemarketers
- Pharmacists
- Members of Congress
- Car salespeople
- High school teachers
- Business executives
- Advertising practitioners
- Police officers
- Lawyers
- Journalists
- Labor union leaders
- Real estate agents
- Accountants
- Bankers
- Judges
- Clergy

Gallup Poll (Dec 2022) – rate honesty and ethical standards “high” or “very high”

Nurses	79%		Bankers	26%
Medical doctors	62%		Labor union leaders	24%
Pharmacists	58%		Real estate agents	24%
High school teachers	53%		Journalists	23%
Police officers	50%		Lawyers	21%
Accountants	41%		Advertising practitioners	15%
Judges	39%		Business executives	14%
Clergy	34%		Car salespeople	10%
			Members of Congress	9%
			Telemarketers	6%

Local Research

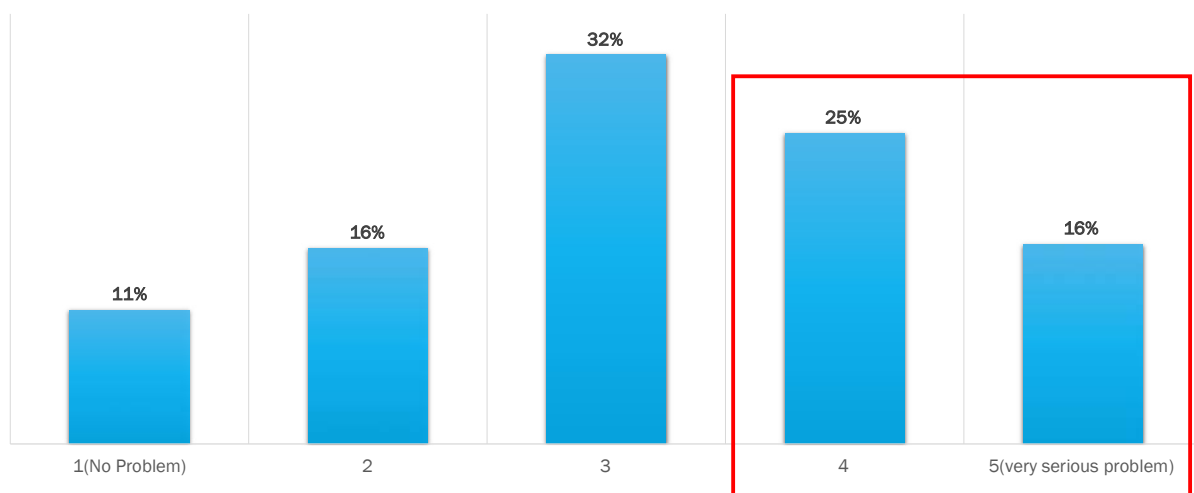
2021 Research led by Boz **Work-from-home considerations - Teamwork**

- Nearly 1/3 of people feel that working from home has negatively impacted their relationships with coworkers
- About 18% find it difficult to receive guidance from team members
- 62% are communicating with coworkers less (10% are communicating more)

Work-from-home considerations - Loyalty

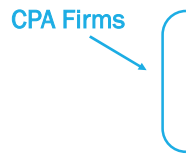
- When asked what increases loyalty to their current job/employer
- Compensation was #1 – 58%
- Good bosses/mentors and good colleagues were both just under 51%
- Well above: challenge, engagement, belief in the company’s mission, location, and advancement opportunities
- “Working from home has completely killed our company culture. Everything fun and exciting about my job has been taken away.”

2022 Research led by Boz: How serious is the staff shortage problem at your company?



5 (Serious Staff Shortage) Answers-By Industry

CPA Firms



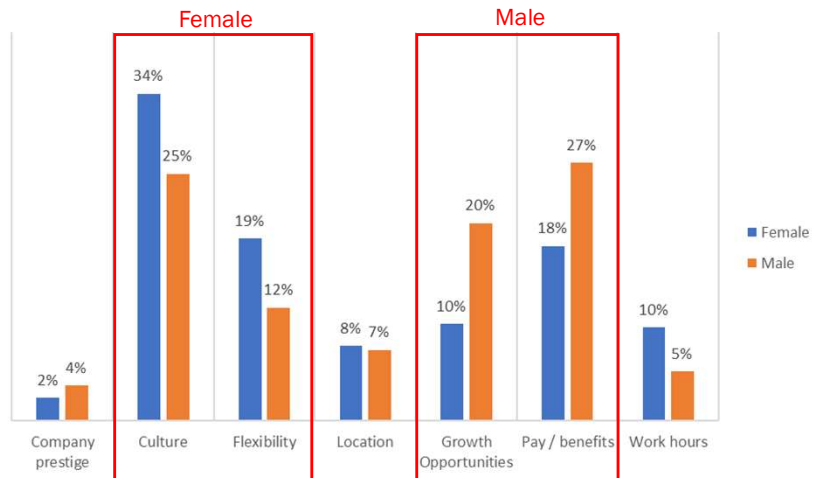
Industry	Percent
Large CPA Firm	26%
Big 4 CPA Firm	26%
Small-mid size CPA firm	25%
Government, non-profit, or education	17%
Private corporation	12%
Consulting, advisory, or self-employed CPA	8%
Public corporation	7%

Which factor has the most influence on what company an employee chooses to work for?

OPTIONS:

- Company Prestige
- Culture
- Flexibility
- Growth Opportunities
- Location
- Pay / benefits
- Work hours

Which factor has the most influence on what company an employee chooses to work for? Breakdown by Gender



Research Takeaways

- There are serious staff shortages, particularly in public accounting
- Culture and flexibility are highly valued, particularly by women
- Potential culture issues:
 - Relationships with co-workers and bosses increase loyalty, but...
 - Communication with co-workers has decreased
- Overall, there are fewer people to do the work and many feel culture has been negatively impacted
- What ethical issues could this raise?

Embezzlement

Discussion

- As part of doing business, a company needs to purchase goods/services
- What sort of risks does this create?
- What types of controls can a company put in place to manage these risks?

Shelbee Szeto

- Executive Assistant, then Finance Planning Manager at Hewlett Packard from 2017 – 2021
- Was issued corporate credit cards to facilitate purchases for the company
 - Company policy prohibited using these cards for personal expenses
- Shelbee setup fake accounts PayPal, Stripe, and Square and paid fake invoices received from these vendors
- Embezzled \$4.8M in total
 - Spent it predominantly on luxury items

What do you think - Which was not a luxury item Shelbee had to surrender to the authorities?

- A. Automobile
- B. Bags/purses
- C. Hotel stays
- D. Jewelry
- E. Teddy bear

Items surrendered:

- Tesla sedan
- Porsche SUV
- Dozens of designer bags and purses
- Over a dozen Rolex watches
- Dozens of jewelry items
- Louis Vuitton teddy bear



Louis VUITTON Pre-owned Louis VUITTON Doudou ...

Brown cotton Louis Vuitton Doudou 2005 teddy bear from Louis Vuitton Pre-Owned featuring a monogram pattern and a hanging leather tag. Please be mindful that this piece has led ...

Bear

\$17,957.00

+\$0.00 est. tax

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Documentation

- HP required documentation
 - Uploaded falsified invoices to HP's internal system and falsely represented to HP that the payments were made to legitimate vendors
- Square asked for documentation.
 - She produced a false credit card authorization form
- Bank asked for documentation.
 - Claimed she earned \$3.6M through work as a consultant over a 12 month period and this was business income

Fallout

- March 2022. Pled guilty to:
 - Two counts of wire fraud, in violation of 18 U.S.C. § 1343. Up to 20 years per count.
 - two counts of money laundering, in violation of 18 U.S.C. § 1957. Up to 10 years per count
 - and one count of failing a false tax return, in violation of 26 U.S.C. § 7206(1). Up to 3 years
- Szeto's attorney: "Ms Szeto is accepting responsibility and doing her best to make amends.
- Sentenced to three years in prison

26 U.S. Code § 7206 - Fraud and false statements

- Any person who...Willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter...
 - shall be guilty of a felony and, upon conviction thereof, shall be fined not more than \$100,000 (\$500,000 in the case of a corporation), or imprisoned not more than 3 years, or both, together with the costs of prosecution.

Ethical Leadership

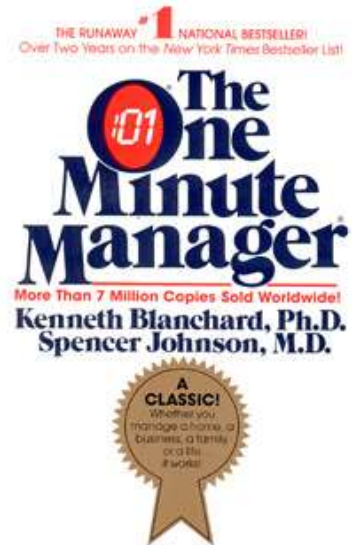
Discussion

- What traits come to your mind when you think of an ethical leader?

Ken Blanchard

- Author, consultant, speaker
- *The One Minute Manager* has sold over 15M copies

- <https://www.youtube.com/watch?v=ctZHSa4Qhd4>



Servant leadership

- Serve first, lead second
- Most effective leaders are good human beings who care about people
- Listen more than talk

Tips to success

- Self assess at the end of each day – Praise and redirect yourself
- Focus on significance instead of success
 - Significance is tied to generosity, success is tied to money
- Enter your day slowly, and with intent
 - Be intentional. Don't get caught in the rat race

Three key aspects of being a leader

- Set clear goals
 - People need to know what they must try to accomplish
- Praise others
- Redirect
 - Point out the issue, ask for their opinion, ask how you can help them get back on track
- Which one could you most improve on?

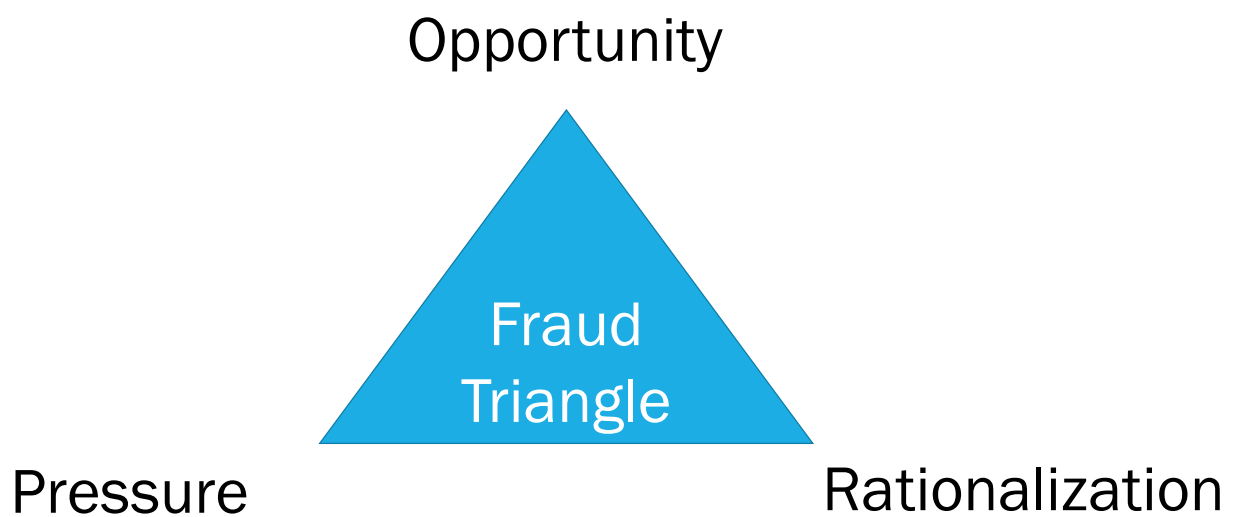
Reducing the risk of fraud

Discussion

- Why do people commit fraud?

Common Frauds

- Embezzlement
 - Rita Crundwell
- Insider Trading
 - Scott London
- Foreign Bribery
 - Wal-Mart Mexico
- Bribery of Government Officials
 - Ray Nagin
- Falsified Financials Statements
 - Autonomy



Case Study

- Your spouse serves as the President for a small non-profit organization in your local community
- The Treasurer abruptly resigned and community members have encouraged you to take on that role given your financial savvy
- The non-profit does not have an active board of directors
- You indicated you would not be comfortable taking on the role and they asked you what would need to change so that you could do so?

Conflicts of Interest - Three steps as prescribed by the AICPA's Code of Conduct:

- Identify a conflict of interest
- Evaluate a conflict of interest
 - Significance of threat/safeguards. If not at acceptable level, must apply more safeguards
 - Restructuring or segregating certain responsibilities and duties
 - Obtaining appropriate oversight
 - Withdrawing from the decision making process related to the matter giving rise to the conflict of interest
 - Consulting with third parties, such as a professional body, legal counsel, or another professional accountant
 - If can't get to acceptable level, decline services or withdraw from the relationship
- Disclose a conflict of interest (if at acceptable level)

Embezzlement – The Sharpers

- Anthony Sharper, CPA and his wife Deana Sharper were involved with a Charlotte area high school booster club
 - Anthony was interim President and Treasurer
 - Deana ran the concession stand and school store
- Embezzled over \$200,000 from a Charlotte high school booster club – from 2017-2020
 - Writing checks to themselves
 - Wiring funds to themselves
 - Using club debit/credit cards to pay for personal expenses

Embezzlement – The Sharpers

- Did not pay tax on embezzled income = two counts of tax fraud!
- How did they cover the theft?
- A fake PPP loan of \$230,000
- Some reimbursed the booster club, some was used personally

Charges

- Wire fraud
 - Maximum penalty of 20 years in prison and a \$250,000 fine.
- Two counts of making false statements to a financial institution
 - Maximum prison term of 30 years and a \$1 million fine per count
- Making a false statement to SBA
 - Maximum statutory penalty is 30 years in prison and a \$1 million fine
- Two counts of engaging in monetary transactions in criminally derived property
 - Maximum prison term of 10 years and a \$500,000 fine per count
- Two counts of filing a false tax return
 - Maximum penalty of three years in prison and a \$250,000 fine per count.
- Their attorney, "They are very nice people and as the legal process runs its course, everybody will find out more."

What do you think? Embezzlement is more common at?

- A. Large companies
- B. Small companies

- HISCOX, a specialty insurance company, found in a 2016 study that 80 percent of embezzlement occurred at small businesses (defined as those with less than 150 employees).

Jasiel F. Correia – a rising star

- In 2012, at the age of 19, Jasiel designed an app to connect local businesses with consumers
- Decided to run for office. “I’m a product of Fall River. I’m young, I’m ambitious and I’m a hard worker. I want to see myself and Fall River succeed.”
- Became Mayor of Fall River, Massachusetts, a city with population about 100,000, at the age of 23

Jasiel F. Correia – a fallen angel

- Raised \$360,000 from investors and used 2/3 to fund personal lifestyle and to fund his political campaign
- Refused to provide financials to investors, gave false positive updates
- Became Mayor in 2016 (Age of 23), accepted bribes in exchange for non-opposition letters to marijuana vendors
 - Letters required under state law to operate a marijuana business
 - Solely responsible for approving non-opposition letters

Jasiel F. Correia – the fallout

- In 2021, convicted of 21 total counts of wire fraud, four counts of filing false tax returns, four counts of extortion conspiracy and four counts of extortion.
- “Eventually, the real truth will come out,” Mr. Correia said. “I will be vindicated, and my future will be very long and great.”
- Sentenced to 6 years in prison and 3 years supervised release
- April 2022: Reported to prison

18 U.S. Code § 201 - Bribery of public officials and witnesses (selected language)

- Whoever directly or indirectly, corruptly gives, offers or promises anything of value to any public official with intent to influence any official act...
- Whoever being a public official directly or indirectly, corruptly demands, seeks, receives, accepts, or agrees to receive or accept anything of value personally or for any other person or entity, in return for being influenced in the performance of any official act...
- Shall be fined under this title or not more than three times the monetary equivalent of the thing of value, whichever is greater, or imprisoned for not more than fifteen years, or both

Comments from government authorities

- “Jasiel Correia was a corrupt and deceitful politician who could only be stopped by federal prosecution. Now he is a felon and will be a federal inmate.”
- “Jasiel Correia’s conscious decision to fleece investors, extort hundreds of thousands of dollars in bribes, and cheat on his taxes has now cost him his freedom. He has proven to be a pervasive liar who has shown absolutely no remorse or empathy for his victims, and today he has been held accountable. Sadly, his actions have further eroded the public’s trust in government, and deeply hurt the citizens of Fall River.”

How could these have been avoided?

- Oversight, approvals, segregation of duties
- Avoid Pressures
- Avoid Opportunities

Key Takeaways

- Understand the relevant rules and perspectives of others
- Discuss your decision with others who don't have a stake in the outcome
 - Assume your decision will be discovered
 - Focus on the long-term
- Document your decision and support for your position
- “Ethics is knowing the difference between what you have the right to do and what is right to do.” – Potter Stewart, former Associate Justice of the U.S. Supreme Court