All the Queen’s Horses
POLL QUESTION
How Are Most Frauds Discovered?

a. External Auditors
b. Internal Auditors
c. Whistle-blowers
d. None of the Above
Illinois Department of Transportation

City of Dixon
121 W 2nd
City Clerk
Dixon, IL 61021

EXPLANATION OF CHARGES

LOCATION: IL-28 & Bloody Gutch Road
LOCAL SECTION: 101TS
ROUTE: FAP-016
SECTION: 101TS
COUNTY: Lee
JOB NO.: C-92-10-08
PROJECT NO.: H-0319/0317
CONTRACT NO.: 84C28
DISTRICT: 2

The Agreement executed 6/13/2006 between City of Dixon and the State of Illinois provides that the city will reimburse the State for part of the construction costs.

FINAL CITY SHARE:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSNO01 @ 3%</td>
<td>$148,130.24</td>
</tr>
<tr>
<td>Plus engineering @ 15%</td>
<td>$7,300.92</td>
</tr>
<tr>
<td>City of Dixon share</td>
<td>$3,402.89</td>
</tr>
</tbody>
</table>

Payment Due Date: 07/19/2007
TOTAL DUE: $162,833.05

PLEASE MAKE CHECK PAYABLE TO TREASURER, STATE OF ILLINOIS.

MAIL TO: Illinois Department of Transportation
Room 222, Harry R. Hatley Building
200 S. Ogden Parkway
Springfield, IL 62704

INQUIRIES CONTACT: Sunday Cosas at 217-775-4817.
INVOICE

INVOICE NO. 761987
INVOICE DATE 11/15/03
REVENUE CODE 0205
AUDIT NUMBER 08514

LOCATION: Route 25 & South Galena Avenue
LOCAL SECTION: FAS1 outdoor
ROUTE: FAS1-3
SECTION: 6

JOB NO.: P-92-103-96
PROJECT NO.: FAS2-32-02/000
CONTRACT NO.: 64562

This Agreement executed between DIXON,
CITY OF, and the State of Illinois provides that
the city will reimburse the state for part of the
construction costs.

CITY SHARE: $1,250,000.00

Upon Award:

Payment Due Date: 11/01/03
NOW DUE: $500,000.00

PLEASE MAKE CHECK PAYABLE TO TREASURER, STATE OF ILLINOIS
AND MAIL TO: Illinois Department of Transportation
Room 322, Harry R. Hanley Building
2300 S. Dirksen Parkway
Springfield, IL 62704
THE SETTLEMENT

Fifth Third Bank
$3.85 MILLION

CliftonLarsonAllen
$35.15 MILLION

Janis Card & Associates
$1 MILLION
Financial decisions dominated by one person

Lack of segregation of duties

Lack of auditor independence
POLL QUESTION

Which strategy can be used to prevent fraud?

A. Making sure duties are segregated.
B. Not allowing financial decisions being dominated by one person.
C. Conducting background checks.
D. All of the above.
92% of the fraud cases had at least one red flag identified.

64% of the fraud cases, the fraudster exhibited two or more behavioral red flags.