



LANSING CHAPTER OF THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS

Learning from History

I always appreciated history (or social studies) classes in school. The wide variety of topics covered, whether ancient times, indigenous people around the world, wars and conflicts, or even more recent historical events were always fascinating to learn about. I was fortunate to have a few particularly enthusiastic teachers that had students dress as individual North and South U.S. Civil War soldiers or activists and tell their individual stories, or another time, students serving as prosecutors, defense attorneys, witnesses, and jurors, in a jury trial accusing the U.S. of war crimes for dropping the atomic bombs on Japan during WWII.

After graduating, I've been particularly interested to learn about the multitude of topics not able to be covered in school due to constraints of time, but also those with more than one side of the story. I've featured a few articles and books in this newsletter that held my attention as of late.

I would like to acknowledge that the books featured below tell one side of the story and your personal position may be in conflict with the book's author. I do not wish to offend anyone, but simply want to offer these as resources you may be interested in.

- Jen Ostwald

In This Issue

Fraud Talk Podcast – A Look at the Growing Issue of Medical Identity Theft

Upcoming Events

How Scams Worked In The 1800s

Book Nook

Buchanan Estate Scam (1931-1936)



Fraud Talk Podcast

A Look at the Growing Issue of Medical Identity Theft- Scott Ward - Fraud Talk - Episode 119

While victims of traditional identity theft often catch it quickly, victims of medical identity theft may not know they are victims until they need critical medical treatment. In this episode, Scott Ward, CFE, senior vice president at Qlarant, discusses the insidious nature of medical identity theft, the impact it has on its victims and what people and governments can do to help combat it.

<https://acfe.podbean.com/e/a-look-at-the-growing-issue-of-medical-identity-theft-scott-ward-fraud-talk-episode-119/>

UPCOMING EVENTS

LOCAL:

Michigan Chamber of Commerce

Virtual – Athena Series

May 17, 2022

9:00 am – 10:00 am

Learn more: https://www.michamber.com/signature_events/miathena/



Michigan Association of Certified Public Accountants

Government and Nonprofit Frauds and Controls to Stop Them

Virtual

Thursday, May 26, 2022

12:30 pm - 4:00 pm

Learn more: <https://www.micpa.org/cpe/store/course-detail?ProductId=128076>

Central Ohio ACFE Chapter's 21st Annual Emerging Trends in Fraud Investigation and Prevention Conference

In Person and Virtual Event

May 16 - 17, 2022

Earn up to 16 hours of CPE, with 2.5 hours of Ethics CPE

Learn more: <https://web.cvent.com/event/de1cf33a-a1fa-4696-b302-1d1feb60def9/summary>

NATIONAL:

ACFE

Caribbean Tax Havens - Update on Legislation Impacting Information Gathering

Webinar

May 12, 2022

Learn more: <https://www.acfe.com/training-events-and-products/all-events/calendar-of-events/event-detail-page?s=Caribbean-Tax-Havens-Update-Legislation-Impacting-Information-Gathering0522>

ACFE

Online/In-Person Conference – 2022 Global Fraud Conference

June 19 - 24, 2022

Virtual/Nashville

Learn more: <https://www.fraudconference.com/33rd-home.aspx>

ACFE

Developing an Integrated Anti-Fraud, Compliance, and Ethics Program

Virtual Seminar

Jul 6-8, 2022 (early registration ends June 6th)

Learn more: <https://www.acfe.com/training-events-and-products/all-events/calendar-of-events/event-detail-page?s=Developing-Integrated-Anti-Fraud-Compliance-Ethics-Program-0722Virt-DACEP>

If you have an event that you would like posted in our newsletter or if you wish to share an article, please contact Jennifer Ostwald at jenny1661@hotmail.com

How Scams Worked In The 1800s

NPR History Department

By Linton Weeks

<https://www.npr.org/sections/npr-history-dept/2015/02/12/385310877/how-scams-worked-in-the-1800s>

These days we are constantly warned of scams and schemes designed to hoodwink us. The FBI sends out scam alerts from its Internet Crime Center. The Federal Trade Commission cautions against all kinds of fraudulence, from the recent Anthem Hack Attack to IRS impostors. And this week the AARP Fraud Watch Network is reminding people of Valentine's Day scams, including fake florists and cash-on-delivery hornswogglers.

But in the spring of 1859, folks were concerned about another kind of hustle: A man who went by the name of A.V. Lamartine drifted from town to town in the Midwest — pretending to attempt suicide.

He would walk into a hotel — according to newspaper accounts from Salem, Ore., to Richmond, Va., and other places — and appear depressed as he requested a room. Once settled in, he would ring a bell for assistance, and when someone arrived, Lamartine would point to an empty bottle on the table labeled "2 ounces of laudanum" and call for a clergyman.

People rushing to his bedside to help him would find a suicide note. The Good Samaritans would summon a doctor, administer emetics and nurse him as he recovered.

Somehow Lamartine knew his situation would engender medical and financial assistance from kind strangers in the 19th century. The scenarios ended this way, as one Brooklyn reporter explained: "He is restored with difficulty and sympathetic people raise a purse for him and he departs.

Using this modus operandi, the reporter added, Lamartine was making his way across Ohio — raising \$25 in Dayton and \$40 in Sandusky and departing "with a free pass on the railroad to commit suicide at some other place."

It seems like a crazy way to make a living. But in earlier America, cheaters concocted the kookiest cons.

Leveraged Networks

Arguably, the 1800s were the Golden Age of schemes. The term "confidence man" or "con man" was probably coined midcentury and, according to the New York Times, the Brooklyn Bridge was sold more than once to unsuspecting folks in the 1880s and 1890s.

"The world was at once smaller and bigger in the 19th century," says Amy Reading, "and it can be hard to get our minds around the difference."

Reading is the author of *The Mark Inside: A Perfect Swindle, a Cunning Revenge, and a Small History of the Big Con*. "Modes of communication were not so swift," she says, "so it was easier for itinerant swindlers to move from town to town, practicing the same small cons within a given region without getting caught."

At the same time, there were also fewer people in the world, so there were fewer degrees of separation, even in urban areas. "In my research," Reading says, "I was astonished to find instances where one person described a swindler he'd encountered, and then another person ran into the same swindler and recognized him on the basis of his friend's description. This is, in part, because con men leveraged people's interpersonal networks to move from mark to mark."

Con artists, chiselers, four-flushers and grifters had their own methods and behavior patterns, she says, and "that is exactly what the police could use to catch them."

Today we are familiar with some of the larger ripoffs, such as three-card monte and the Brooklyn Bridge sales. But here are some lesser-known scams of the 1800s:

- **Disappearing Act.** Two women, often assisted by a man, were notorious for pulling off a clever ploy, as reported in the *Cincinnati Enquirer* of July 9, 1881. The three would show up in a town. The man would rent rooms for the ladies at a boarding house. The two women would then go on a lavish shopping spree at a chosen store, and select "a quantity of goods, invariably laces or such light valuable materials as could easily be disposed of." The women would instruct the merchant to send the goods around to the boarding house so they could try them on. When the store representative arrived, one of the ladies would be in the parlor to say that she was taking all of the merchandise to show her sister and husband. "The swindlers would disappear from the house with the booty," the paper reported, "leaving the messenger patiently waiting for his cash."
- **Man of the Cloth:** One day in May of 1888, the *New Castle, Pa., Daily City News* reported, a man who introduced himself as Father McCarthy of Montreal showed up at St. Aloysius Catholic Church in Washington, D.C. McCarthy presented appropriate documentation to the head priest, E.A. McGurk Jr. "Father McGurk, very much please with the suave visitor, graciously tendered him the hospitalities of the parochial residence," the reporter noted. On a Monday, McCarthy visited a jewelry store on Pennsylvania Avenue. He said he was looking for a gift for a cardinal, and he picked out some choice diamonds to be brought over to McGurk's residence. When the jeweler arrived, McCarthy met him at the door, dressed as a priest. He took the diamonds into another room — ostensibly to show them to other holy men — and he slipped out a back way. Never to be seen again.
- **Horse Trading:** "Swindlers have struck a new scheme for beating the unhappy granger who is inclined to make money more rapidly than by the paths of strict rectitude," the *Parsons Daily Sun* in Kansas pointed out in July of 1889. Dapperly dressed Man No. 1 shows up at a farmhouse and offers to buy a good horse. He gives the horse owner \$10 and promises to return in a week to pay the difference and collect his horse. The next day, well-dressed Man No. 2 appears at the same farm and expresses keen interest in the same horse — a horse that, in fact, he must own. He offers \$10, \$15, \$25 more than the price that Man No. 1 offered.

The farmer says he cannot sell the horse, so Man No. 2 says he will come back in a week and if the horse is still available, he will pay the extra \$25 for it. When Man No. 1 returns, the farmer wants to keep the horse and make the extra money — so he gives Man No. 1 his \$10 back and an extra \$10 for his troubles. "No. 1 takes his money," the reporter explains, "is ten dollars ahead, half of which he gives to No. 2, and the farmer still owns the horse."

The American capacity for gullibility, observes Amy Reading, "is unchanging over time because it is a function of how we are programmed, by biology and culture, to take in the external world. Any of our tools of empiricism, which generally hold us in pretty good stead, can also be used against us."

A prime example, she says, "is stage magic — our susceptibility to it has certainly not decreased over the centuries. ... Our senses, and our assumptions about how the world operates, are exactly what can be manipulated against us — even when we know that and are primed for it."

Not coincidentally, she says, "stage magic exploded in popularity in the second half of the 19th century, only to die back to present levels with the introduction of cinema."

What do change over time "are the particular rituals and customs and expectations and rules pertaining to trust in society," she adds. "As those norms are shifting, as they did quite massively in the 19th century, you have the perfect conditions for exploiting the gaps between new and old. That shift to modernity was often the very script of the con."

Video of the Month

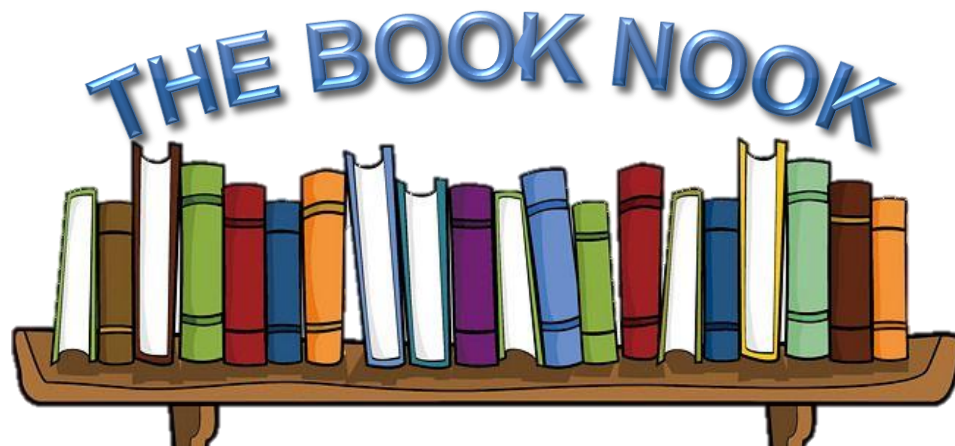
[Hackers are all about curiosity, and security is just a feeling | Chris Nickerson | TEDxFultonStreet - YouTube](#)

Chris offers a peek inside the mind and world of hackers — people who like to tinker, usually for public benefit. Want to feel more secure? Know what it takes to hack your cell phone? Why don't corporations listen when they're warned? Oh, yeah, and have you learned how to pick locks yet? Remember to face the world as a child does - with the wonder of a child discovering a new thing for the first time.

Chris Nickerson is a professional attacker - a security specialist, he helps corporations and individuals to handle the challenges of physical and digital intrusion. A longtime part of hacker conferences DEFCON, 2600, and others, Chris is currently the CEO of Lares Consulting.

*I'm not interested in what
it **does**.*

*I am interested in what it
can do.*



The King of Confidence: A Tale of Utopian Dreamers, Frontier Schemers, True Believers, False Prophets, and the Murder of an American Monarch

by Miles Harvey

In the summer of 1843, James Strang, a charismatic young lawyer and avowed atheist, vanished from a rural town in New York. Months later he reappeared on the Midwestern frontier and converted to a burgeoning religious movement known as Mormonism. In the wake of the murder of the sect's leader, Joseph Smith, Strang unveiled a letter purportedly from the prophet naming him successor, and persuaded hundreds of fellow converts to follow him to an island in Lake Michigan, where he declared himself a divine king. From this stronghold he controlled a fourth of the state of Michigan, establishing a pirate colony where he practiced plural marriage and perpetrated thefts, corruption, and frauds of all kinds. Eventually, having run afoul of powerful enemies, including the American president, Strang was assassinated, an event that was front page news across the country.

The King of Confidence tells this fascinating but largely forgotten story. Centering his narrative on this charlatan's turbulent twelve years in power, Miles Harvey gets to the root of a timeless American original: the Confidence Man. Full of adventure, bad behavior, and insight into a crucial period of antebellum history, The King of Confidence brings us a compulsively readable account of one of the country's boldest con men and the boisterous era that allowed him to thrive.

An Indigenous Peoples' History of the United States

by Roxanne Dunbar-Ortiz

Today in the United States, there are more than five hundred federally recognized Indigenous nations comprising nearly three million people, descendants of the fifteen million Native people who once inhabited this land. The centuries-long genocidal program of the US settler-colonial regimen has largely been omitted from history. Now, for the first time, acclaimed historian and activist Roxanne Dunbar-Ortiz offers a history of the United States told from the perspective of Indigenous peoples and reveals how Native Americans, for centuries, actively resisted expansion of the US empire.

With growing support for movements such as the campaign to abolish Columbus Day and replace it with Indigenous Peoples' Day and the Dakota Access Pipeline protest led by the Standing Rock Sioux Tribe, An Indigenous Peoples' History of the United States is an essential resource providing historical threads that are crucial for understanding the present. In An Indigenous Peoples' History of the United States, Dunbar-Ortiz adroitly challenges the founding myth of the United States and shows how policy against the Indigenous peoples was colonialist and designed to seize the territories of the original inhabitants, displacing or eliminating them. And as Dunbar-Ortiz reveals, this policy was praised in popular culture, through writers like James Fenimore Cooper and Walt Whitman, and in the highest offices of government and the military...

Buchanan Estate Scam (1931-1936)

Library of Congress Research Guide

<https://guides.loc.gov/genealogical-hoaxes/buchanan-estate-scam>

As the Great Depression drained hopes and finances across the country, a grocer in Texas, named Lorenzo D. Buchanan, announced that a valuable Buchanan Estate was to be distributed among eligible heirs. In such a period of economic hardship, the announcement was akin to shouting fire in a crowded theater. Genealogical pandemonium ensued as Buchanans everywhere clamored to compile family trees that would prove they had a claim to the alleged estate. Sensational articles appeared in newspapers nationwide reporting how local citizens were among the entitled descendants anticipating enormous sums of money any day.

The details of the purported estate were vague and prone to alteration, but most adhered to a basic storyline involving a distant, mutual ancestor named William Buchanan (though he sometimes was assigned other first names) who had left an \$850,000,000.00 estate. The money had reportedly been tied up in recently expired, 99-year leases of land throughout the United States. As the rumors evolved, the multi-state property interests shifted to focus on prime Manhattan real estate. Presumably because he was the most famous American Buchanan, most versions also said that the wealthy William was a relative of former United States President James Buchanan. Sometimes William was left out of the tale altogether and President Buchanan was said to have created the estate.

In 1931, the [Library of Congress](#) was so inundated with letters from hopeful Buchanans seeking proof of eligible kinship that the librarians prepared a standardized memorandum to be sent in reply, debunking the most common genealogical claims to the ambiguous benefactor.¹ New York Surrogate Judges simultaneously overwhelmed by the frenzied Buchanans, determined that no such estate existed. They implored New York Governor (and soon-to-be Presidential candidate) Franklin D. Roosevelt to put a stop to the fraudulent scheme.² Meanwhile, Lorenzo D. Buchanan signed an agreement with the United States Postal Inspector to return unopened the thousands of letters addressed to him and announced that he had “ceased all operations in connection with the supposed estate.”³ These measures did not quell the chaos. Instead as Buchanan stepped back, self-appointed agents stepped forward and scams within the scam took hold. Agents offered to create genealogies and file claims in exchange for fees that took advantage of the already economically desperate, would-be heirs. Significant among these was H. W. Cochran of Indiana, whose coordinated national campaign was rebuked for asking Buchanans to “donate all they possibly can” in exchange for his assistance.⁴

A civil suit finally forced the issue when the case went to court in Houston, Harris County, Texas, in early 1936. Exasperated heirs demanded Lorenzo D. Buchanan present an account of the estate that he had promoted and show on whose authority he acted. Buchanan’s attorney denied that any such estate existed and turned the tables on the demoralized heirs by blaming them for their gullibility. By excuse of poor health, Buchanan never appeared in court to explain himself.⁵

The generation of Buchanans who lived through the debacle suffered a roller coaster of hope and disappointment in a particularly trying time. They received no grand inheritance to rescue them from the Great Depression and may have even increased their hardships due to supporting the scheme. Instead of benefiting from their ancestors, the bequests left to future generations were countless errant or outright fabricated family trees that continue to thwart genealogists today. Created with the intention of linking the living generations to a particular ancestor rather than to an accurate ancestor, many of these genealogies have been left in the family papers inherited by their descendants, enabling a cyclical repeat of misinformation with every new generation of researchers.

Though the Buchanan example is an extreme case, it does not stand alone. Similar hoaxes are alluded to by the reporters, judges, and economists who weighed in on the Buchanan situation in the 1930s. And while not every family history will be obstructed by such a calamity, many other types of family myths or published errors create similar problems in genealogy. Online trees and social media expedite the spread of information, good or bad. Mistakes are copied and repeated. Recent corrections may be overlooked by new researchers who more easily discover the older, errant data due to its widespread proliferation.

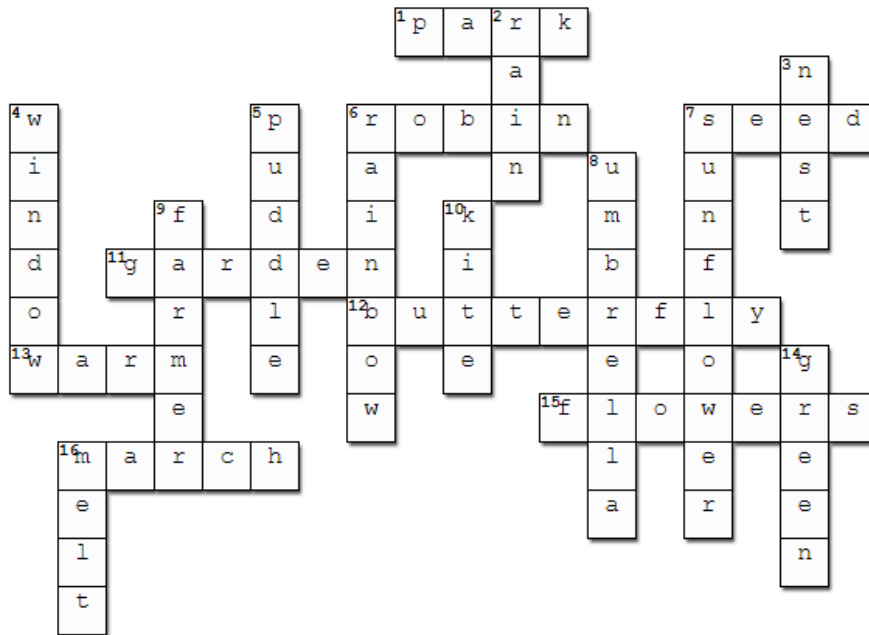
The essential lesson for all family historians is the necessity of doing one's own research. Make the most of the family papers passed to you. Be grateful for, and give credit to, the work shared by other genealogists. But always do your own evaluation, seek out the original records, weigh the evidence, and come to your own conclusion. If you discover mistakes or issues, acknowledge the problem and address it. Explain your findings for the benefit of future researchers who will, in their turn, assess your contribution as they endeavor to explore the family history for themselves. Leave a legacy that helps rather than haunts your descendants.

NOTES

Some sources cited below can be accessed via subscription databases. Fuller information about those databases is found on the [Newspapers and Periodicals page in this section of the guide](#).

1. "Memorandum – Buchanan Estates" (1931); folder: "Buchanan Estate," vertical files; [Local History and Genealogy Research Services](#), Researcher and Reference Services Division, Library of Congress, Washington DC. [Back to text](#)
2. "Roosevelt Warns of Estate Swindle," article, *New York Times*, 25 January 1932, page 11, column 1; digital images. *Note: this article is available in the [subscription resource "ProQuest Historical Newspapers."](#)* [Back to text](#)
3. "Buchanan Estate Dream Abandoned by Houston Grocer," article, *Big Spring (Texas) Daily Herald*, 19 July 1931, page 9, column 4; digital images. *Note: this article is available in the [subscription resource "NewspaperArchive.com."](#)* [Back to text](#)
4. Harris County, Texas, Civil Court case no. 000225972, Margaret Argyle ET AL vs. Lorenzo D. Buchanan, 1935 - 1936, extant case file (70 pages); digital images, [Harris County District Clerk External](#) (accessed, 26 March 2020). *Note: step by step directions for ordering a copy of this case are available on the [Family Histories and Papers page in this section of the guide](#).* [Back to text](#)
5. Ibid. [Back to text](#)

Spring Crossword Answers



Created using the Crossword Maker on TheTeachersCorner.net

Across

- 1. children go to the _____ and play (**park**)
- 6. spring has arrived when this bird is in your yard (**robin**)
- 7. plant a _____ and wait for a flower to grow (**seed**)
- 11. a place to plant flowers or plants (**garden**)
- 12. a caterpillar turns into a _____ (**butterfly**)
- 13. temperature that is not too cold and not too hot (**warm**)
- 15. April showers bring May _____ (**flowers**)
- 16. spring starts during this month (**march**)

Down

- 2. water falling from the sky (**rain**)
- 3. birds make a _____ to lay eggs (**nest**)
- 4. open the _____ and let fresh air into the house (**window**)
- 5. rain gathers in one spot on the ground and makes a _____ (**puddle**)
- 6. colorful arc in the sky after the rain (**rainbow**)
- 7. a yellow flower that faces the sun (**sunflower**)
- 8. hold this to stay dry when it rains (**umbrella**)
- 9. a person whose job it is to plant crops (**farmer**)
- 10. fly a _____ on a windy day (**kite**)
- 14. grass grows and turns the color _____ (**green**)
- 16. ice and snow _____ (**melt**)

Quote of the Month

“Money, you think, is the sole motive to pains and hazard, deception and devilry, in this world. How much money did the devil make by gulling Eve?”

– Herman Melville
The Confidence-Man published in 1857