

ALL HOAX AND NO CATTLE

Rancher creates hundreds of thousands
of cattle — on paper

By Dick Carozza, CFE



Cody Easterday was a Washington state rancher and farmer with a sterling reputation. Then Tyson Foods discovered that for at least four years he sent fake invoices to that company, and another, for \$244 million for the care and feeding of 265,000 head of cattle that didn't exist. He pleaded guilty to wire fraud and is serving an 11-year sentence in federal prison. Here's an analysis of the fraud from a prosecutor, investigators and fraud examiners.

Debby Easterday would wake up in the middle of the night after hearing notifications from her husband Cody's phone — either casino slot machine bells or crashing glass sounds. Cody, the president of Easterday Farms and Easterday Ranches based in eastern Washington, was playing the commodities future markets. Debby complained about his preoccupation with hedging on cattle futures. "He would just blow it off as him doing what he needed to make good decisions on his trades," Debby said. "I complained to friends and confidantes and was usually told Cody knows what he is doing; he's fine."

But Cody Easterday wasn't fine. He allegedly had a severe gambling addiction and was losing huge amounts on commodities futures. From 2011 through 2020, he lost about \$202 million. In one year alone, he forfeited \$59

million. His cattle operation couldn't withstand these debts, so Easterday concocted an outrageous scheme to create cattle out of thin air to increase his bottom line and remain solvent.

The U.S. Department of Justice (DOJ) alleges that from about 2016 to November 2020, Easterday fraudulently charged Tyson Foods, Inc., and another company, more than \$244 million for the purported costs of purchasing and feeding over 265,000 fictitious head of cattle. He also defrauded the CME Group Inc., which operates the world's largest financial derivatives exchange, by submitting falsified paperwork, according to the DOJ.

Tyson eventually discovered that the rancher had audaciously violated its trust, Easterday confessed in November 2020 and the company alerted the DOJ. On



December 10, Easterday traveled to Tyson's headquarters in Dakota Dunes, South Dakota, to delineate his fraud. That same day, Easterday's father — the patriarch of the ranching family — died when he collided head-on with a semi hauling potatoes for Easterday Farms on I-182 in Pasco.

Tyson filed a lawsuit ([tinyurl.com/2p8n4cj5](https://www.tinyurl.com/2p8n4cj5)) against Easterday Ranches in Franklin County (Washington) on Jan. 23, 2021, that said Easterday falsified records and submitted fictitious invoices.

On March 31, 2021, Easterday waived his right to be indicted and pleaded guilty to one count of wire fraud. He agreed to repay more than \$233 million to Tyson Foods and over \$11 million to another company. On Oct. 4, 2022, he was sentenced to 11 years in prison and three years of supervised release. "It was, in a weird, twisted way, the reason I was doing it ... was to fix the problem I had created. It was circular," he said during the hearing. Easterday, 52, is serving his sentence at Federal Correctional Institute Lompoc in California.

"The scale and brazenness of Mr. Easterday's fraud is immense," said Assistant U.S. Attorney Brian M. Donovan, who handled restitution and bankruptcy proceedings on behalf of the U.S. "The amount he stole — nearly a quarter of a billion dollars — would have funded the combined police, courts, and fire department budget of Yakima, which is a city of nearly 100,000 people, for more than four years. Mr. Easterday's greed destroyed his family's farming empire and harmed innocent victims," Donovan said in a DOJ release.

After Easterday Ranches declared bankruptcy, a federal bankruptcy judge approved the nearly \$210 million sale of most of the land — 18,000 acres — to Farmland Reserve, Inc., a nonprofit related to the Church of Jesus Christ of Latter-day Saints.

How could Easterday have pulled off this immense cattle fraud? He was a respected and trusted cattle rancher and farmer who'd raised thousands of actual cattle for years. And yet he committed one of the largest-ever agricultural frauds. Easterday wouldn't speak to *Fraud Magazine*, but the case's investigators, prosecutor and court records offer analysis and insights. (See

United States v. Easterday, letters in support of Easterday, Sept. 19, 2022, [tinyurl.com/zrxvxjdb](https://www.tinyurl.com/zrxvxjdb); "Short On Cattle, Long on Losses: Easterday Had An Alleged Habit Of Big-Money Trading," by Anna King, Northwest News Network, March 3, 2021, [tinyurl.com/v33ukc58](https://www.tinyurl.com/v33ukc58); "Tri-Cities Rancher Sentenced to Eleven Years in Federal Prison and Ordered to Pay \$244 Million in Restitution for 'Ghost Cattle' Fraud," U.S. Attorney's Office, Eastern District of Washington, Oct. 4, 2022, [tinyurl.com/2wprcf7r](https://www.tinyurl.com/2wprcf7r); "Gale Easterday dies from traffic accident injuries," Onion Business, Dec. 17, 2020, [tinyurl.com/4aa8r5sf](https://www.tinyurl.com/4aa8r5sf); United States v. Easterday Plea Agreement – Document #10, March 31, 2021, [tinyurl.com/3zu8ezmn](https://www.tinyurl.com/3zu8ezmn); United States v. Easterday, Exhibit A — Document #49, Attachment #1, [tinyurl.com/2p9h9xrf](https://www.tinyurl.com/2p9h9xrf); "Easterday sentenced for 'brazen' NW cattle scam. 'This is not the man I am.'" by Cory McCoy, Tri-City Herald, updated Oct. 7, 2022, [tinyurl.com/mw6swzej](https://www.tinyurl.com/mw6swzej); and "\$210 million sale of prime Washington farmland to LDS church approved," by Anna King, KNKX Public Radio, July 15, 2021, [tinyurl.com/mtxu896b](https://www.tinyurl.com/mtxu896b).)

Man of the soil buries reputation

Debby Easterday's first official date with Cody was during her senior year of high school in 1990. She was expecting a night out at the movies, but instead he drove her out to a farm he'd recently purchased in the middle of nowhere. "In the pitch dark he told me the little lights I could see were irrigation circle lights," she wrote in a letter to the court during the sentencing phase of the trial ([tinyurl.com/zrxvxjdb](https://www.tinyurl.com/zrxvxjdb)). "While I didn't quite understand his excitement or why he thought this was a good idea, his enthusiasm was contagious and intriguing." Cody, who was 20 when he and Debby began dating, was already responsible for overseeing financial matters for the family farm and ranch.

Easterday's psyche and reason for living seem to be rooted in the fertile soil of eastern Washington's Columbia Basin. His grandfather, Ervin Easterday, moved his family and farming operation in 1958 from Nampa, Idaho, to the area where he purchased 300 acres of undeveloped land. By 1979, Gale and Karen Easterday, Cody's parents, were the sole owners of Easterday Farms, which

Debby Easterday walks with her husband from the courthouse.





eventually grew to more than 20,000 acres in the Columbia Basin. By 1989, Cody became a partner in Easterday Farms and later president of the farms and Easterday Ranches.

In or around March 2015, Easterday Ranches entered into a cattle-feeding agreement with Tyson to procure feeder cattle on behalf of Tyson and provide feeding space for the cattle until they were sent for slaughter at the Pasco plant, according to court records. Tyson would reimburse Easterday for purchase costs and costs associated with growing the cattle to market weight. Easterday would keep as profit the amount by which the market value of the cattle at the time of slaughter exceeded the costs it owed to Tyson. If the market value of the cattle at the time of slaughter was below the costs Easterday owed to Tyson, Easterday Ranches would be required to pay Tyson the difference.

In addition to the Tyson cattle-feeding agreements, Easterday Ranches also entered into a series of livestock bills of sale involving another business ("Company 1" in court records). Easterday agreed to raise cattle on behalf of Company 1 until the cattle were ready for slaughter using purchase funds and prepaid feed costs advanced by Company 1. When Easterday Ranches ultimately sold the cattle for slaughter it would repay the advanced funds to Company 1 plus 4% interest. Easterday would keep as profit the amount by which the sale price at slaughter exceeded the costs it owed to Company 1.

Easterday had a sterling reputation within the beef cattle industry, so Tyson and the other company had no reason to suspect that he was welching on his deals. After all, Easterday Ranches and Easterday Farms had yearly revenues of \$250 million with nearly 200 employees, and fleets of trucks and farm equipment. Everything appeared solvent.

According to Anna King, a correspondent for Northwest News Network, and the creator, investigative reporter and host of the "Ghost Herd" podcast (see sidebar on page 30), Cody, Debby Easterday and their extended family owned large homes across the Columbia Basin and a large property in Arizona. "The family owned a \$600,000-dollar private plane, hired pro pilots and

even had an expensive camper they'd take to Washington State University football games to tailgate," says King.

Easterday seemed to be riding high, but his businesses were heavily in debt because of his commodity futures trading losses that began in 2011. In 2014, he began sending fake invoices for fictitious cattle to Tyson and Company 1. Tyson eventually discovered the missing cattle on or about Nov. 30, 2020, after an inventory evaluation and a conversation with Easterday the next day, but not before losing millions to the fraud.

During the December 1 conversation with Easterday and numerous Tyson executives and counsel, Easterday said, according to court documents, "I have been showing more cattle in inventory than I have on feed." As he explained that he didn't have all the cattle that Tyson had paid for, he said, "I violated your trust but that is where I am at." Easterday said there was a "discrepancy" of about 200,000 (later increased to 265,000) head of cattle between the cattle that were reflected in Tyson's inventory and the actual number of live cattle. During the call, he agreed to allow Tyson to send personnel to Easterday's facilities to review its records and perform an audit in the next few days.

According to court records, Easterday routinely defrauded Tyson by instructing "Employee 1" and "Employee 2" of Easterday Ranches to send emails from its office in Pasco to Tyson's headquarters.


The emails were frequently entitled "New Placements," and they contained attached invoices seeking payment for cattle that Easterday Ranches had purportedly purchased on behalf of Tyson, and "breakeven projections," which set forth information about the cattle that Easterday Ranches had purportedly purchased on behalf of Tyson, including the lot number, head count, sex and a financial analysis.

Easterday apparently concocted detailed lies to fool Tyson and glean millions of dollars. Court records, for example, say one email delivered from Easterday Ranches to Tyson on or around March 22, 2019, contained an invoice that sought payment for 1,568 head of cattle that didn't exist. Tyson paid Easterday Ranches \$1,482,826.41. As another example, Easterday billed Tyson



*Cody Easterday walks with family members from the courthouse after being sentenced to 11 years.
Image Source: Megan Farmer, KUOW and NWPB*

Forward insight into what's ahead requires **VISION**

 Our commitment of
Unmatched Client Experiences[®]
is driven by our forward vision

With a national platform, deepened industry intelligence, and robust consulting services, **FORVIS** is prepared to help you better navigate the current and future dynamic organizational landscape.

FORV/S[®]

ASSURANCE / TAX / CONSULTING

CONFIRM THOSE AUDIT CLAUSES



Rancher Cody Easterday stole \$244 million from Tyson and another company through fraudulent billing of fictitious cattle. According to Regent Emeritus Tiffany Couch, CFE, CPA/CFE, founder and CEO of Acuity Forensics, billing for fake goods or services is a scheme we often think of as either:

- An insider (employee) creating false invoices under a shell company scheme, or
- A bigger outside fraud ring that hits large company accounts payable departments in hopes of snagging a few unsuspecting/unsophisticated operations that will process invoices.

“This [Easterday] case is most interesting because Tyson has a vendor hitting it for false billings,” she says. “In my professional opinion, it likely went on for that long because either the contract they had with Easterday didn’t have an audit clause, or Tyson didn’t follow through on auditing its vendor. Most large companies with large suppliers have an audit clause in their contracts that allow them to audit the company.”

Couch says vendor audit clauses are critically important in quashing these types of schemes. “Not only can they be seen as a deterrent, but they can also be used to pick up on billing errors in the early stages of a contract.” She says a meaningful vendor audit for an operation like this would’ve likely included a site visit

to Easterday Ranches, a cattle inventory, a review of billings and subsequent feed costs, etc. “Trust should never be an internal control,” Couch says.

One federal investigator says that Tyson had assigned an employee to be onsite at the Easterday Ranches, but that obviously didn’t prevent fraud. Tyson said in its Dec. 21, 2020, SEC 8-K report ([tinyurl.com/xyhrtpx](https://www.sec.gov/xyhrtpx)) that it had reevaluated its internal controls as a result of the Easterday fraud, identifying “a material weakness ... relating to the physical existence of live cattle inventory.” Tyson also said it had outside auditors investigate the misappropriation of company funds but found no evidence it had benefited from Easterday’s unlawful conduct or that anyone at the company had altered financial statements to hide what was happening. The company also subsequently took measures to improve internal controls to ensure the accuracy of live cattle inventory, Tyson says in its Dec. 21, 2020, SEC 8-K report.

If Tyson didn’t include audit clauses (or didn’t enforce them) in client contracts in the past, there’s a very good chance they do now. “I can only guess that behind the scenes this has probably changed the whole way that Tyson and other companies like them deal with their suppliers,” says Assistant Chief John “Fritz” Scanlon of the DOJ Criminal Division’s Fraud Section, and lead attorney for the Easterday Ranches case.

\$5,314,326.11 for 6,312 phantom head of cattle. He’d also send emails to Tyson seeking payment for the cost of nonexistent cattle feed. (See Easterday Farms, easterdayfarms.com/our-story; “United States v. Easterday, Information – Felony – Document #1,” [tinyurl.com/2j8c4jtc](https://www.tinyurl.com/2j8c4jtc); “Ghost Herd” podcast, Part 1: The Empire Builders, KUOW, [tinyurl.com/229t9hbj](https://www.tinyurl.com/229t9hbj); “Tyson Fresh Meats, Inc. v. Easterday Ranches, Inc.,” Jan. 23, 2021, [tinyurl.com/2p8n4cj5](https://www.tinyurl.com/2p8n4cj5); “Paper Rustling: Major Washington Cattle Operator Allegedly ‘Fed’ 200K Cattle That Didn’t Exist,” by Anna King, NWNNews, Jan. 27, 2021, [tinyurl.com/mrbdv3c8](https://www.tinyurl.com/mrbdv3c8); and “United States v. Easterday Plea Agreement – Document #10,” March 31, 2021, [tinyurl.com/3zu8ezmn](https://www.tinyurl.com/3zu8ezmn).)

Federal investigations unfold

In late 2020, the U.S. Postal Inspection Service (USPIS) Criminal Investigations Group’s DOJ Mail Fraud Team, the Federal Deposit

Insurance Corporation (FDIC) and the FDIC Office of Inspector General, began examining the case.

“Tyson investigated a large amount of inventory on Easterday Ranches’ property,” Assistant Chief John “Fritz” Scanlon of the DOJ Criminal Division’s Fraud Section, and lead attorney for the Easterday Ranches case, tells *Fraud Magazine*. “We received a report of potential wrongdoing from the victim [Tyson] and then immediately started our investigation ... trying to follow the money and substantiating allegations through interviews.” Scanlon prosecuted the case along with Market Integrity Major Frauds Chief Avi Perry of the same DOJ division and Assistant U.S. Attorneys Brian M. Donovan and Russell E. Smoot for the DOJ’s Eastern District of Washington state.

“We got people on the ground within days because as we understood it from the beginning it was an extremely large fraud,” Scanlon says. “In this case, either there were 265,000 head of



cattle or there weren't, but a herd that large could be spread across large portions of the state."

The government analyzed satellite and drone photos using an automated counting application and geospatial techniques to determine Easterday's true cattle number. Another federal investigator added that Easterday kept another set of books that recorded the information of the actual cattle on the ranches.

In the meantime, Postal Inspector Jan Bodón, the leader of the DOJ Mail Fraud Team embedded within the Market Integrity Major Frauds Unit of the DOJ's Fraud Section, began working the case in the latter part of December of 2020. Bodón sent Postal Inspector Misty Racimo to Washington state in early January of 2021. "We began speaking with Tyson employees who had the information on what had occurred, the company's internal investigators and those who received documents related to the fraud [false invoices that Easterday sent]," Racimo tells *Fraud Magazine*.

After Tyson had gotten wind of anomalies in the head count of Easterday's cattle, the company began its audit. "[Tyson investigators] got documents from Mr. Easterday and interviewed him," Racimo says. "He was very forthcoming." The DOJ, meanwhile, obtained search warrants and inspected Easterday's digital devices, which he turned over to investigators when they visited his home, Racimo says.

None of the federal investigators said they found enough evidence to implicate anyone else as co-conspirators. "Mr. Easterday consciously kept everybody siloed so they would not know what the right and the left hand were doing," Bodón tells *Fraud Magazine*. "He was able to keep everybody knowing just certain pieces of information. If they were talking to each other, they might have been able to piece together that there was something wrong." For example, Bodón says, the ranch manager who was sending cattle to the slaughterhouse wouldn't have known about

the fraudulent invoices. That manager and the person emailing the fraudulent invoices to Tyson apparently never talked, Bodón says. Another investigator says only Easterday knew the total head of cattle.

Meanwhile, Tyson, in its Dec. 21, 2020, Securities and Exchange (SEC) Form 8-K report (see [tinyurl.com/xyyhrtpx](https://www.sec.gov/xyyhrtpx)) announced that it was "undertaking an internal review relating to one of its cattle suppliers [Easterday Ranches] and has determined that this supplier made misrepresentations regarding the number of cattle the supplier purchased on behalf of the Company's Beef segment."

Tyson said that "based upon investigations and procedures performed with the assistance of outside advisors," the company's management estimates that the misappropriation of funds by Easterday Ranches caused Tyson to overstate live cattle inventory by about \$285 million as of the company's fiscal year ended Oct. 3, 2020.

Tyson said Easterday Ranches represented approximately 2% of the total cattle supplied to its beef segment each year for fiscal 2017 through 2020.

Easterday's gambling defense

"Before this court for sentencing is a kind, humble man, treasured community member, friend, husband and father, who has been enormously successful in the agricultural and ranching industry," said Easterday's attorney, Carl J. Oreskovich, in the Oct. 4, 2022, sentencing memorandum. "As described by family, friends, employees, business associates and community members, Cody's heart is enormous," Oreskovich wrote.

However, the attorney wrote, he became addicted to commodities futures market gambling. Oreskovich quoted several mental health professionals about Easterday's purported

'GHOST HERD' PODCAST DESCRIBES CODY EASTERDAY'S DOWNFALL

On the night of Jan. 26, 2021, Anna King, a longtime reporter for NW News Network, met with a source in a dark parking lot to receive Franklin County (Washington) Superior Court documents of a lawsuit Tyson Foods, Inc. had filed that day against Easterday Ranches of Pasco, Washington. She first broke the story on Jan. 27, 2021, for NW News Network — the first of many about how Cody Easterday fraudulently charged Tyson and another company more than \$244 million for the purported costs of purchasing and feeding over 265,000 fictitious head of cattle. (See [tinyurl.com/y59yn4aw](https://www.tinyurl.com/y59yn4aw).)

"Since then, I've been living in this story!" King says. (Read King's reporting here: [tinyurl.com/yc297sda](https://www.tinyurl.com/yc297sda).) She created and hosts the "Ghost Herd Podcast," ghostherd.org, a joint production of KUOW – Seattle, and Northwest Public Broadcasting (NWB), both members of the NPR Network.



Image Source:
Andrea Starr photography



Courtesy of ghostherd.org



problems. One psychologist wrote, “Mr. Easterday’s criminal actions were the direct product of a gambling disorder which developed out of a complex combination of personality and environmental factors. At baseline, his personality is characterized by a high energy level, intense ambition, willingness to take risk, and propensity for boredom when not actively stimulated. ... He also has some isolative tendencies, so to the extent he was aware of the personal weaknesses underlying his gambling disorder, he consistently hid them from family and friends, and minimized them even to himself through complex rationalizations. ... Mr. Easterday experienced some winning trades that reinforced his behavior, and a pattern was established. As losses mounted, he found ways to justify his actions to himself such that he maintained confidence in his ability to ‘fix’ the problem.”

Though Easterday’s attorneys portrayed him as remorseful and struggling with his mental health, he was and remains combative with Tyson. In a bid to reduce his repayment to Tyson, he claims in a lawsuit that the company owes him \$163 million. His lawyer says Tyson used his name and photo without compensation to sell “Cody’s Beef” in Japan. Easterday’s lawyer also alleges that Tyson “illegally collected” \$51 million by violating the Packers and Stockyards Act of 1921 and still owes him \$11.97 million in unpaid feed bills. Tyson filed a motion to dismiss the lawsuit and said Easterday’s allegations “were ludicrous,” and he’s using “Cody’s Beef” as a smokescreen for fraudulent billing.

Scanlon says that when Easterday was caught, he immediately began talking with Tyson. “But he didn’t have much of a choice,” Scanlon says. “However, he then worked with them to try to increase the value of assets to be able to gain more money to pay back the restitution,” he says. “You don’t see that every day from fraudsters. But it seemed like he wanted to be let off with nothing. He came into the sentencing hearing asking for probation ... and that his restitution should be reduced to zero. And his alleged medical issues with gambling were all diagnosed only after he was caught.”

During the Oct. 4, 2022, sentencing hearing Scanlon said, “All three of those experts only diagnosed him after his crimes

came to light. Zero of those experts, Your Honor, can tell us one single thing about why, if Mr. Easterday committed his crimes because he was addicted to gambling, that he would steal nearly \$50 million more than what he lost in the commodities futures market. That \$50 million went into the bank accounts of Easterday Ranches. That \$50 million went in, shored up an empire, the part of which wasn’t making money.”

Tyson dismissed Easterday’s gambling addiction defense. In a Sept. 16, 2022, letter to the case’s judge, shortly before the sentencing, Shane Miller, group president for Tyson Fresh Meats, said that the company had spent more than \$5 million investigating and remediating the fraud. “Mr. Easterday’s actions further impacted Tyson by causing disruption to, and distraction from, its business operations at an incredibly challenging time. As the Court is no doubt aware, the pandemic strained the ability of all food producers to ensure the adequacy of America’s food supply,” Miller wrote. “In fashioning an appropriate sentence for Mr. Easterday, we encourage the Court to not only consider the extensive nature of the fraudulent scheme and its financial impact on Tyson, but also, the broader implications of Mr. Easterday’s conduct on the integrity of the nation’s food supply chain.”

(See “United States v. Easterday, Sentencing Memorandum – Document #50,” Sept. 19, 2022, [tinyurl.com/y226jvhu](https://www.tinyurl.com/y226jvhu); “United States v. Easterday, Sentencing Memorandum – Document #49,” Sept. 19, 2022, [tinyurl.com/5n8eeedt](https://www.tinyurl.com/5n8eeedt); Official transcript of sentencing hearing, United States of America v. Cody Allen Easterday, Oct. 4, 2022, fee-based PACER; “Easterday now claims Tyson owes him \$163 million,” by Don Jenkins, Capital Press, Sept. 27, 2022, [tinyurl.com/4cfas4rc](https://www.tinyurl.com/4cfas4rc); “Tyson Meats fires back in court, calls allegations by convicted fraudster Cody Easterday ‘ludicrous,’” by Shawn Goggins, SourceOne, August 3, [tinyurl.com/yt6jxexc](https://www.tinyurl.com/yt6jxexc); and Tyson letter to Honorable Stanley A. Bastian, Sept. 16, 2022, [tinyurl.com/3ep6xbje](https://www.tinyurl.com/3ep6xbje).)

Easterday analyzed

Even though Regent Emeritus Tiffany Couch, CFE, CPA/CFE, founder and CEO of Acuity Forensics, wasn’t involved with this case, she’s worked with many rural citizens in Washington state and Oregon. “This case has all the hallmarks of a typical fraud case you’d find anywhere,” she says. “The fraudster was a trusted person in a financial bind who rationalized that he could ‘borrow’ from Tyson,” she says.

Couch adds that the opportunity to commit fraud presented itself and Easterday escaped detection because the community trusted him and the absence of serious controls at Tyson. “I grew up in a small agricultural town,” she says. “I have many, many clients in the Yakima Valley and Columbia Basin. One thing is true in an agricultural community; your word is your bond. Deals



are not done in boardrooms. They are done in a coffee shop at 5:30 a.m., on the side of a road with a handshake deal, or on the tailgate after 5 p.m.”

The Easterday farming operation seemed to be doing well and would've been just fine on its own, she says. “It does not appear that he was stealing to make ends meet; it appears he was stealing to cover his gambling debts, which is actually quite common.” A federal investigator conjectured that Easterday was caught in a cycle of lies because he couldn't bear to lose the three-generation family business and put scores of his employees out of work. Easterday was determined to pass the ranches and farms to his offspring and their families.

The man that he was

Before the discovery of his jaw-dropping fraud, Cody Easterday had apparently lived an honest life and enjoyed the respect of his community. But still, like so many others, he crossed over the line when he sent that first fake invoice to Tyson. And then another and yet another. Despite an avowed gambling addiction, he succumbed to pressure of a financial need. “There is no excuse,” he said during his sentencing hearing. “I've let a lot of people down, and it will be a long time to fix that, if I ever can. I'm just sorry, and this is not the man I am.” Rehabilitation is always possible. However, unfortunately, Easterday and his family, and scores of his employees are paying for the man that he was.

(See “Easterday sentenced for ‘brazen’ NW cattle scam. ‘This is not the man I am.’” by Cory McCoy, Tri-City Herald, updated Oct. 7, 2022, tinyurl.com/mw6swzej.) ■ **FM**

Much thanks to the following for their assistance with this article: Anna King; Martin T. Biegelman, CFE; John Gill, J.D., CFE; Tiffany Couch, CFE, CPA/CFF; John Warren, J.D., CFE; Mason Wilder, CFE; and Jason Zirkle, CFE.

Dick Carozza, CFE, is editor-in-chief emeritus of *Fraud Magazine*. Contact him at dcarozza@ACFE.com.

ETHICS, RATIONALIZATIONS AND HUMAN FALLIBILITY

NEW



As a fraud examiner, it is important to understand how your subconscious can lead you astray and how fraudsters fall prey to common rationalizations and justifications for unethical acts. The same issues that lead to ethically dubious decisions can affect you in the course of your investigation. Fraud examiners must recognize these issues, develop ways to deal with them and help organizations create more ethical cultures. In this course, Bret Hood, CFE, discusses the blind spots of our reactionary subconscious and the ways fraud examiners can remain ethically conscious.

YOU WILL LEARN HOW TO:

- Recognize how our subconscious minds affect ethical decision-making
- Describe psychological blind spots that impede ethical decision-making
- Develop methods to prevent unconscious biases from impacting ethical decision-making



CPE CREDIT
2



COURSE LEVEL
Overview



PREREQUISITES
None



= This course fulfills the annual ethics CPE requirement for CFEs.