



Emerging Trends in Technology

Presented By:

Tom Mitchell, President & CEO, Bonefish Systems
Taylor Adrian, Regional Sales Manager, Bonefish Systems





Introduction



Tom Mitchell - President and CEO

Tom Mitchell is founder and President of Bonefish Systems. Mr. Mitchell has spent 30 years in the financial services sector holding numerous technology and business roles in large banks and insurance companies.
In 2007, Tom started Bonefish Systems. After working for large corporations for close to two decades, Tom wanted to bring fraud prevention and detection technologies to smaller organizations that could not otherwise afford them. Bonefish Systems now serves hundreds of school districts and municipalities across Ohio and has recently expanded into Florida, Michigan, and Pennsylvania.
Tom is a member of the Association of Certified Fraud Examiners. He earned his undergraduate degree at Kent State University in Computer Science and also holds a Masters of Business Administration graduate degree from Case Western Reserve University, Weatherhead School of Management



Taylor Adrian - Regional Manager of Sales

Taylor Adrian is a Regional Manager of Sales for Bonefish Systems. Primarily focusing on new business development across the states of Ohio and Michigan.
Prior to joining Bonefish Systems in the spring of 2022, Taylor obtained 8 years of experience working in the front office of various professional sport teams. He aided in the technology sourcing and training of thousands of individuals and companies for management and entry into both NBA/WNBA arenas and NFL stadiums. Taylor earned a Bachelors of Science degree at the University of South Dakota



- Bonefish Systems is an information technology provider of fraud detection, financial solutions and IT consulting and services.
- Bonefish markets to the financial sector, both private and public, promoting easy-to-use hosted software applications and IT consulting.
- Additionally, Bonefish provides managed services to local companies to support everyday business technology needs.

Agenda

- Trends in Technology
- Investments in Financial Controls
- Compliance
- What you can do Today



Technology is everywhere...



Technology is everywhere...

- There is an App for everything
- Automation surrounds our lives
- We are becoming paperless
- Our currency is even going 'crypto'



Technology Can Also be a Threat

- Data Encryption for Ransom
- Crypto Currency for Ransomware Payments
- Social Engineering
- Phishing



Trends: City Investments in Technology

- Smart light and LED Light Projects (smart streetlights)
- Digital Kiosk Installation
- Solar Powered Micro Grids
- High Speed Internet
- AoT(Array of things)



What About Financial Controls?

Are Your Financial Controls Keeping Up?



II. Automated Controls

- **Positive Pay**
 - Leverage your banking resources

- **Automated Continuous Monitoring**
 - Automate monitoring of every transaction
 - Payment review automation and audit log
 - Save time on regulatory requirements



Continuous Monitoring Solutions

- **Fraud Prevention and Detection**
 - Analysis on EVERY Payment
 - Enables segregation of duties
 - Transparency into vendor and employee relationships

- **Manual Error Identification**
 - Example: Duplicate Invoice or Duplicate Vendor

- **Regulatory Compliance**
 - Automation of required State and Federal certified external searches when initiated at time of new contract and warnings when they are required at payment



Government Technology Adoption Barriers?

- Are they too expensive?
- Are they too hard to implement?
- Is there too much to learn?
- Are fiscal officers unaware?



The Law and Your Responsibility

Under Ohio law,:

Any public **official** who **either authorizes** an illegal expenditure of public funds **or supervises** the accounts of a public office from which such **illegal expenditure is strictly liable** for the amount of the expenditure.

Public **officials controlling public funds** or property are **liable for the loss incurred** should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen.

Seward v. National Surety Corp. (1929), 120 Ohio St. 47; 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex. Rel. Village of Lindale v. Masten (1988), 18 Ohio St.3d 228.



Algorithms that identify anomalies

- Sophisticated technology to provide visibility to your staff

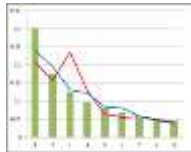
$$s^2 = \frac{\sum (X - \bar{X})^2}{N - 1}$$

$$s = \sqrt{\frac{\sum (X - \bar{X})^2}{n - 1}}$$

New Payroll Variance Formulas

$$P(d) = \sum_{k=1}^{d-1} \log_{10} \left(1 + \frac{1}{10k + d} \right)$$

Benford's Law - It works



Continuous Monitoring



Compliance in the Government Sector?



The Law and Your Responsibility

Under State and Federal law:



**Federal Excluded Parties List System/
SAM.gov**
EO 12549 & 12689
FR 66533

New Hire Reporting Law
Ohio Revised Statute 3121.89-3121.891

Background Checks

**Establish and Maintain Correct
Tax District**

Ohio Findings for Recovery
ORC 9.24

Ohio Business Filings
ORC 1793.04

Debarred Contractors
ORC 4115.133
ORC 153.02



VENDOR COMPLIANCE - HOW!?!?!

<http://ifr.ohioauditor.gov/Results/Certified>

<https://businesssearch.sos.state.oh.us>

<https://www.sos.state.oh.us/records/debarred-contractors/>

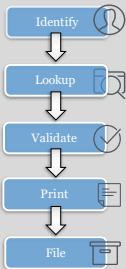
<https://www.sam.gov/SAM/pages/public/searchRecords/advancedPIRSearch.jsf>



EMPLOYEE COMPLIANCE-HOW!?!

- https://thefinder.tax.ohio.gov/streamlinesalestaxweb/default_schooldistrict.aspx
- <https://www.sam.gov/SAM/pages/public/searchRecords/advancedPIRSearch.jsf>
- <https://newhire-reporting.com/OH-Newhire/Logon.aspx>
- <http://ifr.ohioauditor.gov/Results/Certified>
- <http://www.icrimewatch.net/results.php?>





COMPLIANCE TODAY

- Going out to each state and federal database is time consuming. Use automation to speed this process up!



AUTOMATED COMPLIANCE

- With a click of a button, see all state and federal database results and validate compliance!



Keep it simply smart!

ADVANTAGES TO AUTOMATED COMPLIANCE



While providing controls and automation, time saving more than offsets time spent implementing controls.

Paperless, easy-to-find



Ensures all External Searches are identified



Time savings during audit



Conclusion

- New fraud schemes arise everyday
- New and increased compliance requirements are imposed every year
- Fiscal office staffing remains constant at best
- Automation no longer a luxury but a necessity



Questions?



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