Detecting, Preventing and Investigating Fraud and Misappropriation
Thursday, May 16
1:30 p.m. – 2:30 p.m.

This session focuses on recent or noteworthy fraud cases. Panelists highlight emerging trends in securities fraud, provide tips to identify potential "red flags," and discuss who to contact if a fraudulent scheme is suspected.

**Moderator:** Cameron Funkhouser
Executive Vice President
FINRA Office of Fraud Detection and Market Intelligence

**Panelists:**

Anthony Cavallaro
Senior Vice President, Central Review Group
FINRA Office of Fraud Detection and Market Intelligence

Steven D'Antuono
Section Chief CID/Financial Crimes Section
Federal Bureau of Investigation

Jennifer Diamantis
Chief, Office of Market Intelligence, Division of Enforcement
U.S. Securities and Exchange Commission (SEC)

Christopher Kelly
Senior Vice President, Enforcement
FINRA Enforcement
Detecting, Preventing and Investigating Fraud and Misappropriation Panelist Bios:

Moderator:

Cameron Funkhouser is Executive Vice President of FINRA’s Office of Fraud Detection and Market Intelligence. He has been with FINRA, formerly known as NASD, since 1984, serving in various roles of increasing responsibility with a focus on the surveillance of securities traded on The Nasdaq Stock Market, New York Stock Exchange, American Stock Exchange and the over-the-counter markets. Mr. Funkhouser has extensive experience conducting securities fraud investigations and is regularly called upon by civil and criminal law enforcement authorities to provide training, technical assistance, investigative/litigation strategy consulting and expert testimony. Currently, he is responsible for overseeing the Office of Fraud Detection and Market Intelligence, which includes the Insider Trading and Fraud Surveillance units responsible for monitoring the trading activity of more than 10,000 publicly traded securities, FINRA’s Complaint Center and FINRA’s Whistleblower program. Mr. Funkhouser and his staff have been responsible for uncovering numerous cases of Internet fraud, insider trading, market manipulation, Ponzi schemes and other white collar misconduct, which have been successfully investigated and prosecuted by FINRA, the Securities and Exchange Commission and other law enforcement agencies across the country and internationally. He graduated from Georgetown University with a bachelor’s degree in business and George Mason University with a law degree. Mr. Funkhouser is a member of the Virginia State Bar.

Panelists:

Anthony Cavallaro is a senior vice president and the head of the Central Review Group of FINRA’s Office of Fraud Detection and Market Intelligence. He is responsible for managing two units that review and investigate regulatory filings, complaints and other matters received regarding violations of SEC and FINRA rules and regulations. Mr. Cavallaro reports to the Department’s Executive Vice President. Prior to his current role, Mr. Cavallaro was a vice president in the Member Regulation Department and also served in the Enforcement Department of FINRA where he managed two units that investigated and prosecuted violations of securities laws and regulations. Mr. Cavallaro was a vice president at the New York Stock Exchange and began serving at FINRA when NYSE Member Regulation and Enforcement consolidated with NASD to form FINRA in 2007. Prior to joining the NYSE in 1997, Mr. Cavallaro was an Assistant District Attorney in the New York County District Attorney’s Office where he was responsible for investigating and prosecuting various criminal matters including white-collar cases. Mr. Cavallaro received his law degree from St. John’s University School Law and a B.S. in finance from Fordham University, College of Business Administration. He is a military veteran and retired with the rank of major after 20 years of service in the US Army Reserve.

Steven M. D’Antuono is Section Chief in the Financial Crimes Section in the Criminal Investigative Division of the Federal Bureau of Investigation. Mr. D’Antuono began his career with the FBI in 1996 as a Forensic Accountant assigned to the Boston Division, Providence Resident Agency. While in the Boston office, he supported investigations involving financial crimes, public corruption, organized crime, drugs, and counterintelligence. Mr. D’Antuono received an appointment as a Special Agent in July 1998 and was subsequently assigned to the Washington Field Office after graduating the FBI Academy. While in Washington, he investigated public corruption and white collar crime. Mr. D’Antuono’s next assignment was Supervisory Special Agent (SSA) at the FBI Academy as the White Collar Crime (WCC) Instructor. In this capacity, he instructed New Agents, Intelligence Analysts, National Academy students and on -board employees in all aspects of WCC, case management and terrorism financing. Mr. D’Antuono was then promoted in January 2008 to SSA in the Washington Field Office and supervised the District of Columbia/Federal public corruption and government fraud squad where he oversaw several of the FBI’s largest public corruption investigations. In July 2014, Mr. D’Antuono was selected as the St. Louis Field Office’s Assistant Special Agent in Charge responsible for all Criminal Investigative Programs, SWAT, and numerous Resident Agencies as well as Administrative Programs including Security, Training and Finance. While in St. Louis, Mr. D’Antuono oversaw the Michael Brown/Darren Wilson Civil Rights investigation as well as the crisis responses during the Ferguson, Missouri unrest and the Jason Stockley unrest in St. Louis City. Mr. D’Antuono currently serves as the Section Chief of the FBI’s Financial Crimes Section within the Criminal Investigative Division. He currently oversees all aspects of WCC for the FBI including Corporate Securities and Commodities, Economic Crimes, Financial Institution Fraud, Money Laundering, Health Care Fraud, Intellectual Property and Forensic Accountant Programs. Prior to his appointment to the FBI, Mr. D’Antuono, worked as a Certified Public Accountant developing an expertise in auditing, forensic accounting, and taxation.

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Jennifer Diamantis is Chief of Office of Market Intelligence (OMI) in the Securities and Exchange Commission’s Enforcement Division. OMI conducts a broad range of intelligence and analytics activities to identify potential securities law violations and risks, generate investigative leads and analytical insights, and protect investors. OMI also maintains strong relationships and coordinates closely with self-regulatory organizations (SROs), regulatory and law enforcement agencies, and other entities. As part of its TCR Review Program, OMI collects, evaluates, and disseminates tips, complaints, and referrals submitted to the SEC by the public, whistleblowers, SROs, exchanges, domestic and foreign government agencies, and others. OMI also houses the Division’s Bank Secrecy Act (BSA) Program, the Center for Risk and Quantitative Analytics (CRQA), the Office of Market Surveillance, and the Blue Sheets Program. Before joining the SEC, Ms. Diamantis was a Managing Counsel and Senior Counsel with the Consumer Financial Protection Bureau’s Division of Research, Markets, and Regulations. Before that, Ms. Diamantis was Supervisory Counsel in the Federal Deposit Insurance Corporation’s Enforcement Section and oversaw enforcement activities and investigations involving state chartered banks and bank failures. She has also served as a Senior Trial Attorney in the Commodity Futures Trading Commission’s Division of Enforcement, where she investigated and prosecuted fraud and market manipulation cases. Prior to her government service, Ms. Diamantis was a partner and associate at the law firm of Schnader Harrison Segal & Lewis LLP for 10 years. Ms. Diamantis received her law degree from the University of Michigan Law School and her bachelor of arts degree with honors from the University of Florida.

Christopher Kelly serves as Senior Vice President of Sales Practice Enforcement within FINRA’s Enforcement Department. As Senior Vice President, Mr. Kelly oversees the work of the Enforcement Staff in 14 FINRA District Offices throughout the country. He joined FINRA in 2014 and served as Chief Counsel in FINRA’s North Region until early 2018. Prior to joining FINRA, Mr. Kelly served as Deputy Chief of the Criminal Division at the U.S. Attorney’s Office for the District of New Jersey. In that role, Mr. Kelly supervised more than 35 Assistant U.S. Attorneys in the Office’s white collar units: Economic Crimes, National Security, Healthcare and Government Fraud, and Cybercrime. Prior to his promotion to the position of Deputy Chief, Mr. Kelly served as the Chief of the Economic Crimes Unit at the U.S. Attorney’s Office, where he oversaw the Office’s prosecution of complex economic crimes, including crimes involving insider trading, securities fraud, tax evasion, bank fraud, corporate fraud and embezzlement. Mr. Kelly also served as the lead prosecutor on numerous criminal prosecutions. Mr. Kelly graduated from Duke University and Harvard Law School. Prior to joining the U.S. Attorney’s Office, he was an associate at the law firm Dechert LLP. Mr. Kelly also clerked for the Honorable Joseph E. Irenas, U.S. District Court Judge for the District of New Jersey.
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• Jennifer Diamantis, Chief, Office of Market Intelligence, Division of Enforcement, U.S. Securities and Exchange Commission (SEC)
• Christopher Kelly, Senior Vice President, Enforcement, FINRA Enforcement
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Resources

FINRA Investor Alerts

- Broker Imposter Scams: Remember To Ask And Check (March 18, 2019)
  www.finra.org/investors/alerts/broker-imposter-scams-ask-and-check
- Beware of Fake Check Scams (March 4, 2019)
  www.finra.org/investors/alerts/beware-fake-check-scams
- Beware of Stock Fraud in the Wake of Hurricane Florence (September 19, 2018)
  www.finra.org/investors/alerts/beware-stock-fraud-hurricane-florence
- Initial Coin Offerings (ICOs) – What to Know Now and Time-Tested Tips for Investors (August 16, 2018)
  www.finra.org/investors/alerts/initial-coin-offerings-what-to-know
- Advance-Fee Frauds Keep Dropping the FINRA Name – Don’t Fall for “Regulator” Imposter Ploys (August 2, 2018)
  www.finra.org/investors/alerts/advance-fee-frauds-dont-fall-regulator-imposter-ploys

FINRA’s The Alert Investor Newsletters

- Storing and Securing Cryptocurrencies (November 29, 2018)
  www.finra.org/investors/highlights/storing-and-securing-cryptocurrencies
- Beware of Stock Fraud in the Wake of Hurricane Michael (October 15, 2018)
  www.finra.org/investors/highlights/beware-stock-fraud-wake-hurricane-michael
- Here’s How to Avoid Crypto Stock Scams (September 6, 2018)
  www.finra.org/investors/highlights/how-avoid-crypto-stock-scams
- The Ins and Outs of Initial Coin Offerings (July 27, 2018)
  www.finra.org/investors/highlights/ins-outs-initial-coin-offerings
- What Is a Blockchain, and Why Should I Care? (June 29, 2018)
  www.finra.org/investors/highlights/what-is-blockchain
• This Hurricane Season Take Shelter from Disaster-Related Financial Fraud (June 7, 2018)
  www.finra.org/investors/highlights/hurricane-season-take-shelter-disaster-related-financial-fraud

• Getting a Handle on Virtual Currencies (May 31, 2018)
  www.finra.org/investors/highlights/getting-a-handle-on-virtual-currencies

FINRA News Releases

• FINRA Releases 2019 Risk Monitoring and Examination Priorities Letter (January 22, 2019)

• FINRA Publishes Report on Selected Cybersecurity Practices – 2018 (December 20, 2018)

• FINRA Publishes 2018 Report on Examination Findings (December 7, 2018)
  PDF link: www.finra.org/sites/default/files/2018_exam_findings.pdf

• FINRA Announces Plan to Consolidate Examination and Risk Monitoring Programs (October 1, 2018)

• FINRA Issues Alert Warning Investors of Stock Fraud Following Hurricane Florence (September 19, 2018)

• FINRA Charges Broker with Fraud and Unlawful Distribution of Unregistered Cryptocurrency Securities (September 11, 2018)

• FINRA Releases Report on the Rise of RegTech (September 10, 2018)

• FINRA Publishes First Annual Industry Snapshot (August 9, 2018)
  www.finra.org/newsroom/2018/finra-publishes-first-annual-industry-snapshot
  PDF link: www.finra.org/sites/default/files/2018_finra_industry_snapshot.pdf

• FINRA Requests Comment on Fintech Innovation in the Broker-Dealer Industry (July 30, 2018)

• FINRA Announces Enforcement Structure, Senior Leadership Team (July 26, 2018)
• FINRA Announces Initiative to Transform CRD, Other Registration Systems (June 14, 2018)
  www.finra.org/newsroom/2018/registration-systems-transformation

• FINRA Progress Report on FINRA360 Highlights Significant Changes (April 24, 2018)

• Actions Resulting from Referrals to Federal and State Authorities
  www.finra.org/newsroom/actions-resulting-referrals-federal-and-state-authorities

FINRA Podcasts & Other Articles

• FINRA’s Point Guard: The Central Review Group (April 2, 2019)
  www.finra.org/industry/podcasts/finra%e2%80%99s-point-guard-central-review-group

• FINRA Warns of Fraudulent Phishing Emails Targeting Member Firms (February 13, 2019)
  www.finra.org/industry/information-notice-021319

• Insider Trading: Finding the Needle in the Haystack Podcast (December 4, 2018)
  www.finra.org/industry/podcasts/insider-trading-finding-needle-haystack

• FINRA’s Senior Helpline: Addressing the Unique Needs of Senior Investors Podcast (May 1, 2018)
  www.finra.org/industry/podcasts/finras-senior-helpline-addressing-unique-needs-senior-investors

• Protecting Seniors From Financial Exploitation (April 25, 2018)
  www.finra.org/investors/highlights/protecting-seniors-financial-exploitation

• Three-year Anniversary of FINRA Securities Helpline for Senior Marked by Investor Success (April 20, 2018)
  www.finra.org/industry/three-year-anniversary-finra-securities-helpline-seniors-marked-investor-success

• A Few Minutes with FINRA: High-Risk Brokers (January 10, 2018)
  www.finra.org/industry/afmwf-high-risk-registered-representative-program