

## Walter “Walt” Pavlo

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### Want Walt to Speak? Contact:

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### Executive Summary:

Want to find a GREAT speaker? Google Walter Pavlo and get 15 pages of hits.

Walter “Walt” Pavlo holds an engineering degree from West Virginia University and an MBA from the Stetson School of Business at Mercer University. He worked for Goodyear Tire in its Aerospace division as a Financial Analyst, GEC Ltd. of England as a Contract Manager and a Senior Manager in MCI Telecommunication’s Division, where he was responsible for billing and collections in its reseller division.

As a senior manager at MCI, and with a meritorious employment history, Mr. Pavlo was responsible for the billing and collection of nearly \$1 billion in monthly revenue for MCI’s carrier finance division. Beginning in March of 1996, Mr. Pavlo, one member of his staff and a business associate outside of MCI began to perpetrate a fraud involving a few of MCI’s own customers. When the scheme was completed, there had been seven customers of MCI defrauded over a six-month period resulting in \$6 million in payments to the Cayman Islands.

In January 2001, in cooperation with the Federal Government, Mr. Pavlo pled guilty to wire fraud and money laundering and entered federal prison shortly thereafter. His story highlights the corrupt dealings involving the manipulation of financial records within a large corporation. His case appeared as a cover story in the June 10, 2002 issue of Forbes Magazine, just weeks before WorldCom divulged that it had over \$7 billion in accounting irregularities.

Mr. Pavlo has been invited to speak of his experiences by the Federal Bureau of Investigation, US Attorney’s Office, major university MBA programs, corporations and various professional societies. The purpose of these speeches is to convey to



Walter “Walt” Pavlo appeared on on March 3, 2005 to discuss what Martha Stewart could expect under home confinement and teaches for KPMG.



audiences an understanding of the inner-workings and motivations associated with complex white-collar crimes, with an emphasis on ethical decision-making.

## Comments From Previous Speaking Engagements

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"We were extremely fortunate to have you keynote the Forum. Your compelling presentation challenged us all to think about how we conduct our lives at work and outside of work – and how we must ensure that our actions are guided by fundamental values and ethics. In particular, your perspective on the importance of mentors resonated with many in our audience. You made a lasting, if not indelible, impression, because your cautionary tale is our cautionary tale as well."

- **John Walsh**  
Chair, Executive Council  
Leadership Denver Alumni Association

"One of the objectives of this training (CPA's Specialized Criminal Investigations In-Service) is to ensure the attendees gain new tools and knowledge which will assist them in conducting criminal investigations. Your participation in this in-service helped us reach our goal."

- **Phillip A. Desing**  
Supervisory Special Agent  
Federal Bureau of Investigation, FBI Academy

"The critiques received (from the seminar) all reflected that your presentation was the highlight of the seminar. You were sincere and honest during your talk and the question/answer session. You made no attempts to sweet-coat your past actions, but took full responsibility for those actions. You opened the eyes of many of our corporate attendees concerning their internal corporate procedures."

- **Thomas B. Kirkpatrick**  
President  
Chicago Crime Commission

"I had the opportunity to hear your presentation at the Corporate Fraud Training Conference in Los Angeles, California in December 2002. The message you delivered to the audience of law enforcement was powerful. I believe this message is very important for all individuals in the corporate world to hear and understand."

- **Richard L. Ostrom**  
Supervisory Special Agent  
Federal Bureau of Investigation

"Your presentation was thoroughly enjoyed by all, for you were able to give us a keen insight into matters of which we can only wonder. Your sincerity was truly felt as well. "

- **Karen Francis**  
Director, Forensic Audit Services  
Waste Management, Inc.

## Subjects Walt Can Help You With

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### **Work Environment and Ethics**

Often the media has portrayed those accused or convicted of a white-collar crime of establishing an unethical environment or encouraging behavior that is illegal. This perception, in many instances, is not correct. Some companies, particularly newly established ones that are in high growth industries, do not implement or promote an ethics policy at all. In an effort to meet their corporate goals they have not established guidelines under how they will achieve those goals. The environment is one that is void of an ethical standard and aggressive behavior goes unchecked. Pavlo walks through the business decisions that created an environment where his crime went undetected.

### **Positive Impact of a Mentor**

Walt Pavlo worked under a strong ethical mentor for a long period of time while at MCI. During that time he made good decisions and felt part of a team. However, when his mentor left, he began to feel isolated and the pressures of the job mounted, leaving him to search for someone who could relate to the pressures of the job. Unfortunately, the person Pavlo turned to had an unethical and illegal approach to solving those pressures.

### **Pressures of Performance**

Business has been guided by performing each quarter to meet the expectations of Wall Street analysts. These pressures are not only put on the CEO and other high ranking executives, but are passed down to middle management who must perform to meet those goals. The pressure of meeting those goals influences the decision-making process and can interfere with making sound business decisions. The pressures to provide “good news” is immense, and that kind of news is rarely criticized or investigated. The pressures presented in Pavlo’s story ring true in many companies today.

### **Misguided Performance Measures**

When goals are set for any member of management, they must be realistic. When they are not, the manager may feel pressure to act more aggressively to meet these goals. In Pavlo’s story, there are instances of performance levels that could not be achieved without either reporting financial disaster or manipulating financial records. His decisions highlight problems that occur when performance levels are unrealistic.

### **Negative Influence of Stock Option Incentives**

Many in business and academia have criticized stock options. When they were first introduced it seemed to align employees, particularly management, with the interest of the shareholders. However, more than a few instances have come to light that have put the compensation of employees ahead of those of the shareholders. This was done by incorrectly recording financial results in order for those on the inside of the company to reap the benefits of a high stock price. Many executives have been criticized for changing financial results for their own enrichment. Pavlo speaks on his stock option incentives and the effects they had on the decisions that he made.

### **Prison – It is no “Club Fed”**

Many people who work in corporate America have had no contact with someone who has gone to prison. It is very foreign to those in middle and upper class society. Audiences are curious as to how one does cope with the prison experience. Again, the media has portrayed that white-collar criminals go to a “resort” of sorts and then go on to live a normal life. It plants in the mind of some that it may be worth the risk of a soft prison sentence to gain a large amount of money from a crime. This is not true and there are dire repercussions for acting in an unethical or criminal way.

## Public Speaking Engagements and Media

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### Law Enforcement

- Federal Bureau of Investigation
- United States Attorney Forum
- FBI Academy

### Professional Societies

- Minnesota Institute for Legal Education
- New York State Society of Certified Public Accountants
- The Institute of Internal Auditors
- Association of Certified Fraud Examiners
- Columbus Bar Association
- Soderquist Center for Leadership and Ethics
- Denver Chamber of Commerce
- Accountants Global Network
- International Financial Reporting Standards Conference
- Association to Advance Collegiate Schools of Business International
- National Credit Union Administration

### Corporations

- PricewaterhouseCoopers
- KPMG
- CAMICO Insurance Company
- Bertelsmann, Inc.
- Waste Management, Inc.
- Chubb Insurance

### Universities

- Haas School of Business, University of California-Berkeley
- Columbia Business School, Columbia University
- Kenan-Flagler Business School, University of North Carolina
- Tuck School of Business, Dartmouth College
- Dupree School of Management, The Georgia Institute of Technology
- The Smeal College of Business, Pennsylvania State University
- The Marshall School of Business, University of Southern California
- Warrington College of Business, University of Florida
- Sam W. Walton College of Business, University of Arkansas
- Iowa School of Law, University of Iowa
- Williams College
- Chestnut Hill College

### Media Interest

**CNN Paula Zahn Live** – March 3, 2005

**National Public Radio with Susan Stamberg** – August 12, 2003

**Forbes** – June 10, 2002 - Feature article entitled "Ring of Thieves"

**Wall Street Journal** – February 1998 and October 2003

**HR (Human Resources) Magazine** - October 2003

**Northwest Arkansas Business Journal** - October 13, 2003

**Internal Auditor Magazine** – April 20, 2004

**Avenue Magazine** – May 2004

**American Way Magazine** – July 2004

**Corporate Board Member Magazine** – January 2005

## Credentials

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### Education:

**Masters of Business Administration (MBA)** – Stetson School of Business Mercer University, Atlanta, GA (1991)

**Bachelor of Science in Industrial Engineering** – West Virginia University, Morgantown, WV (1985)

### Experience:

Mar 2003 – Present      **Professional Speaker** - New York, NY

Enterprise dedicated to the presentation and solving of challenges facing business today on ethical and financial fronts. Specializing in speaking engagements and consulting to the FBI, MBA schools, businesses and professional associations.

Sep 2002 – Mar 2003    **Palmer Johnson Yachts, Inc.** – Savannah, GA

Outrigger responsible for rigging of sail boats and large motor yachts. Interim job while I started my own consulting business.

1997 – 2001              **Constellation Holdings, Inc.** – Savannah, GA

A venture in which, as a partner, I provided consulting services for small businesses. Engagements included services for operations analysis, information systems planning and project development, business plan writing and negotiations with investors or credit institutions.

1992 – 1997              **MCI Telecommunications, Inc.** – Atlanta, GA

Senior Manager over a total staff of 120 managers, analysts and auditors. Responsible for billing and collecting \$1 billion each month in accounts receivable. Budget responsibility for department. Negotiated with MCI customers payment plans, surety terms, write-off settlements and credits. Developed and implemented accounts receivable software, billing software, executive reporting systems and audit functions. Presentations to senior management, sales organization, telecommunications conference attendees and customers.

1987 – 1992              **GEC Avionics, Inc. (Division of GEC, Ltd.)** – Atlanta, GA

Senior contract manager negotiating contracts for high-tech military equipment with prime contractors such as Lockheed, Rockwell and General Dynamics. On in international front, I negotiated contracts in Great Britain, South Korea, Egypt and Israel. I also developed, programmed and implemented contract pricing software for proposals.

1985 – 1987              **Loral Defense Systems, Inc.** – Akron, OH

Senior Systems Analyst responsible for developing contract-pricing software in support of project proposal submissions. The software program was integrated throughout the company.