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## Featured Article

# Anatomy of denials

Distinguish truth from deception

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*Learning these principles will help you distinguish between good and poor denials and make you a better fraud examiner, executive and decision-maker.*

What's a "good" denial? It's a truthful statement that helps close the door on an allegation. Notice I didn't say it *does* close the door; it *helps* close the door. Evidence ultimately determines the truth. However, we can rely on a good denial. It helps disprove the allegation. It isn't, by itself, proof beyond a reasonable doubt, but it does offer evidence the allegation is false.

A good denial, of course, must be truthful. In the criminal setting, “I am not guilty,” is considered a quasi-good denial. By “quasi” I mean it’s a good denial in this very specific setting. It’s “truthful” since all those arrested are, in fact, “not guilty” until proven guilty *beyond a reasonable doubt*. Even if the subject did the act, they’re telling the truth with this statement. Likewise, the denial “I am innocent” is truthful in the criminal setting for the same reasons. Both are quasi-good denials even if they did that of which they’re accused. But those denials offer little to close the door on allegations. “Not guilty” and “innocent” are mutually understood in the criminal setting.

However, “not guilty” and “innocent” outside the court systems aren’t mutually understood. Outside the court systems (criminal and civil) there’s no need to prove *beyond a reasonable doubt* or with a *preponderance of evidence*. Therefore, these denials aren’t so good when used in non-court settings. So, when a wife accuses a husband of infidelity, his “I am innocent,” isn’t a good denial. The term, “innocent” lacks specificity and is subject to many interpretations outside the court setting.

A good denial is direct, simple and precise. It clearly denies the allegation. It uses only necessary words. All involved must mutually understand the words in the denial (they must be precise), and the statement must stand alone. By “stand alone” I mean it can’t be qualified by what the subject states before or after the denial.

“I didn’t do it,” and “I did not do it” are good denials when all mutually understand “it,” and there’s no doubt as to what “it” is. “Let’s say, I didn’t do it,” thus isn’t a good denial because of the qualifier, “Let’s say.” Anybody can “say” anything.

Somebody takes \$621.31 from a grocery store cash register. The owner, who suspects \$650 is missing, improperly asks the suspect, “Did you take the \$650?” The suspect answers, “I didn’t take it,” knowing that he didn’t take \$650. The “it” isn’t mutually understood by all. Deceptive people take advantage of poorly worded questions and provide partial truths that, on the surface, appear to be complete truths.

A poor denial, on the other hand, helps keep the allegation alive. A poor denial is a lost opportunity and offers evidence the allegation is true. If there are several allegations and the accused provides a good denial to one of the allegations but is silent on the others, the silence on the others is evidence the others might be true. Poor denials usually hold some degree of truth — a partial truth. Partial truths are misleading and considered lies.

People want to tell the truth. Quoting from my book, “Getting the Truth”:

“Like water seeking its own level, the body relieves itself of stress, seeking calmness. The greatest stress reliever known to man is truth telling. It’s a relief valve, a bloodletting, a purging. Nature demands it in order to begin the rebuilding process.”

## Famous denials

Take a look at these famous stand-alone denials. (I’m not implying guilt or innocence of these people except for those convicted.) Can you identify the good denials? Hint: There’s but one.

1. “I unequivocally and without any reservations totally deny all the allegations about sexual contact.” Alan Dershowicz, 2015
2. “I am absolutely, 100 percent not guilty.” O.J. Simpson, at his 1994 arraignment
3. “She was not choked. She was not punched.” Pastor Creflo Dollar, 2012
4. “I would never even hurt her. People who know me know that I could never hurt Susan.” Josh Powell, 2011

5. "I have never doped. I can say it again ... but I've said it for seven years." Lance Armstrong, 2005
6. "I'm not a murderer." Amanda Knox, 2013
7. "I have never sexually harassed anyone, let's say that ..." Herman Cain, 2011
8. "I'm very comfortable saying nobody did it as far as I know." Tom Brady, New England Patriots' quarterback, 2015
9. "I barely knew the man, and why would I kill him?" John McAfee, 2012
10. "In my heart, I know I did not do these alleged disgusting acts." Jerry Sandusky, 2012
11. "As far as the allegations of CIA hacking into Senate computers — nothing could be further from the truth." CIA Director John Brennan, 2014

## Poor denials, but one

All but one of these are poor denials. Here's why:

### 1. Alan Dershowicz

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"I unequivocally and without any reservations totally deny all the allegations about sexual contact." Alan Dershowicz, professor emeritus at Harvard Law School. A Florida court alleged on Dec. 30, 2014, that Dershowicz was one of several prominent figures to have participated in sexual activities with a minor employed by financier and convicted sex offender, Jeffrey Epstein. In April 2015, U.S. District Court Judge Kenneth A. Marra, presiding over a 2008 lawsuit seeking to re-open the Epstein case, ordered "sensational" allegations against Dershowicz be stricken from the record.

*This is a denial statement, not a denial. He doesn't tell us he didn't do it. He's simply issuing a denial statement. A denial for Dershowicz would be something like, "I didn't have sexual contact with the accuser." Be careful with denial statements. Saying, "I deny" is not the same as "I didn't do it." Denial statements are poor denials.*

### 2. O.J. Simpson

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"I am absolutely, 100 percent not guilty." OJ Simpson, at his arraignment on criminal charges of murder.

*This is a good denial (albeit quasi-good). He's 100 percent not guilty at this point in the criminal justice system. All accused aren't guilty until proven guilty beyond a reasonable doubt.*

### 3. Pastor Creflo Dollar

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"She was not choked. She was not punched." Pastor Creflo Dollar, pastor of an Atlanta, Georgia, megachurch, accused of choking and hitting his teenage daughter. On Jan. 25, 2013, prosecutors dropped a simple battery charge against Dollar, who'd completed an anger-management program.

*Dollar doesn't say who didn't choke her or who didn't punch her. A good denial would have been, "I didn't choke her. I didn't punch her."*

### 4. Josh Powell

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"I would never even hurt her. People who know me know that I could never hurt Susan." Josh Powell, who was named a "person of interest" Dec. 14, 2009, in the disappearance of his wife, Susan. On Feb. 5, 2012, Powell killed himself and the couple's two young sons. Police closed the active investigation on May 21, 2013.

*"I could never" is a statement about the future, not the past.*

### 5. Lance Armstrong

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## I have never doped. I can say it again ... but I've said it for seven years.” — Lance Armstrong, 2005

“I have never doped. I can say it again ... but I’ve said it for seven years.” Defamed bicyclist Lance Armstrong, in a CNN interview with Larry King, Aug. 26, 2005. This is a very cleverly constructed denial. The best denial would be the stand-alone sentence, “I did not dope.” Instead he says “I have never doped. I can say it again ... but I’ve said it for seven years.”

In interpreting denials, you need to look at the entire statement because the denier might add qualifiers, before or after what appears to be the denial. In this case, Armstrong, much like Herman Cain did in No. 7, qualifies his denial with a retroactive introduction, “I can say it again ... but I’ve said it for seven years.” *The retroactive introduction again makes this a poor denial.*

*Further, in looking at many of Armstrong’s denials over the years, there’s evidence that he defines “doped” in the legal sense: the failing of a dope test not the mere use of performance-enhancing drugs. That gives a new interpretation of, “I have never doped.” Because he was ahead of the testing process, he enjoyed many years of never failing a drug test.*

*Deceptive people will seize on poorly defined words to make you believe they’re saying one thing, when in fact, they’re saying something else. When he’s saying, “I have never doped,” he’s knowingly misleading us. It’s very important that all the words a subject uses in denials are mutually understood by all parties. The honest person will try to make sure everyone understands. The deceptive will encourage misunderstanding.*

### 6. Amanda Knox

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“I’m not a murderer.” Amanda Knox, then a 20-year-old American in 2007, was accused of murder in Italy, convicted, spent almost four years in an Italian prison and then — after a lengthy and convoluted trial process — was acquitted after the Supreme Court of Italy dismissed the case in 2015.

*The word “murderer” is subject to many interpretations. Therefore, it’s not “mutually understood.” Does “murderer” mean someone convicted by what she feels was an improper forum? I think not. While this might well be a truthful denial because of the possibly misunderstood word, we can’t rely on it.*

### 7. Herman Cain

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“I have never sexually harassed anyone, let’s say that ...” Herman Cain, candidate for the 2012 U.S. Republican Party presidential nomination.

*The trailing introduction, one I call a retroactive introduction, “... let’s say that ...” makes this a poor denial. When we see “I can tell you this” or “I feel comfortable telling you this” or “I can say” we can’t rely on what follows. Because they’re stating what they’re telling us, not what they did. With that introduction, they deftly and deceptively make it appear to be a denial when, in fact, it’s not.*

### 8. Tom Brady

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“I’m very comfortable saying nobody did it as far as I know.” Tom Brady, New England Patriots’ quarterback, who was the center of an alleged underinflation scheme of American footballs.

*Again, “saying” is a giveaway. He could’ve said, “Nobody did it” without any qualifiers. The fact he didn’t makes this a poor denial. An additional qualifier is the, “as far as I know.”*

## 9. John McAfee

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"I barely knew the man and why would I kill him?" John McAfee, founder of the software company McAfee Associates, was named a person of interest in 2012 in connection with the murder of Gregory Viant Faull in Belize. McAfee was never charged.

*He never denies killing the man. He could have said, "I didn't kill him."*

## 10. Jerry Sandusky

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"In my heart, I know I did not do these alleged disgusting acts." Jerry Sandusky, convicted serial rapist, child molester and retired Pennsylvania State University football coach, is serving a 30- to 60-year prison sentence.

*Look at the qualifiers, "In my heart" and "I know." These qualifiers make this a poor denial. He could have simply said, "I did not do these alleged disgusting acts."*

## 11. John Brennan

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"As far as the allegations of CIA hacking into Senate computers — nothing could be further from the truth." Former CIA Director John Brennan, accused in 2013 by the U.S. Senate Intelligence Committee (SSCI) of illegally searching the computers.

*Brennan never denied the allegation of hacking into Senate computers. About a month later, he issued an apology: "The Director subsequently informed the SSCI Chairman and Vice Chairman of the findings and apologized to them for such actions by CIA officers as described in the OIG report."*

Many of the inferences we can take from these quotes are subtle. But they can be indicators as we look for the truth. A "good" denial is only one component in a fraud examination. Again, remember that a truthful statement *helps* close the door on an allegation. Evidence ultimately determines the truth.

### What *isn't* said can be most important

Possibly deceptive subjects structure poor denials to lead you to believe they're saying one thing, when, in fact, they're on the record saying something else.

When we're trying to get the truth, we need to look both at what's said and isn't. Both are important, but what isn't said can be most important. You can often identify poor denials by what isn't said. Look at Toronto Mayor Rob Ford's denial in 2013:

"I do not use crack cocaine, nor am I an addict of crack cocaine." Notice this is written in the present tense, not the past tense. Present tense is only a snapshot, a millisecond. He says nothing about the past, which tells the whole story.



I am an honest person. I would never, will never get a penny from anybody that does not belong to me. This is totally against my principals and my family principles. I don't take cash even from my husbands wallet without telling him. This is totally a nonsense situation. Everybody who knows me know I am a reliable and honest person.

Look at the written denial above, which begins “I am an honest person.” This was in a written statement from one of 10 bank tellers who were all suspects in an investigation into missing money. Is this a good denial?

No. Notice she doesn't deny she took the money. The absence of a denial can be evidence the allegation is true. Truthful people want to tell the truth — *will* tell the truth. A truthful denial will be simple, direct and precise. The subject won't use any misunderstood words, and the denial will stand alone.

Good denials use the pronoun “I.” The denial, “I didn't do it,” is a good denial on its face (only if we all know what “it” is). The pronoun “I” requires unique, personal accountability and responsibility. No one else did the act when “I” is used. So, look for the “I” in a good denial. However, just because the subject uses “I,” doesn't make the denial a good one. Just look at Mayor Ford's poor denial, for example.

In 2012, the British government accused Andy Coulson and Rebekah Brooks of phone hacking when they worked for the “News of the World,” a newspaper owned by Robert Murdoch (which ceased publication in July of 2011). Prime Minister David Cameron had hired Coulson as his director of communications following Coulson's stint as editor of the newspaper. Let's look at Coulson's denial as provided by a July 24, 2012, article in The Guardian:

[The deceptive person's] objective is to get you to believe one thing while they're saying something else on the record.

