

## DECEIVER, DISSEMBLER YOUR TROUSERS ARE ALIGHT

by [Steve Brown](#)

While some may take umbrage as to the source of this little oft-used childhood ditty, the best explanation goes way back to 1810 in a poem written by William Blake. In it, Blake is paraphrased over the years from his early writing, "Deceiver, dissembler your trousers are alight; from what pole or gallows shall they dangle in the night?" as "Liar, liar, pants on fire, hanging from a telephone wire." We thought this was a fun way to let you in on a study by researchers from the University of Massachusetts, who found 70% of people lie. Perhaps even stranger - deception is about 5x higher when people use email, as when they meet with someone in a face-to-face meeting. Maybe that is why another study by Cisco found 70% of young professionals were aware of their company's IT policies, but said despite that; they still felt ok using deception and breaking the rules. When challenged, this group of younger employees gave reasons that included: they didn't think they were doing anything wrong (33%); they needed to access unauthorized applications for their job (22%); there was a lack of enforcement by the company (19%); they didn't think about the policies (18%); it was inconvenient to adhere to the policies (16%) and they forget to do so (15%). Interestingly, 61% of these younger professionals said they felt it was the IT Department's job to protect information and devices and not theirs. The results point to the fact that bankers need to better drive home the importance of taking responsibility, integrity and data security to everyone in the bank. In this day of social media, there is some good to go along with the bad deception indicated above. Research by APCO Worldwide found employees who work at companies that support social media are 86% more likely to refer others for employment; 78% would likely buy company stock; 60% feel their company is innovative; and 60% are more likely to give their company the benefit of the doubt in a crisis. That is good. The uglier side of the social media world is that other research finds up to 56% of online profiles contain false information of some kind; some 30% of Facebook friendship requests are fake and 44% of resumes posted on social media sites contain exaggerations or fabrications. For those seeking jobs, that can be a real show-stopper if you consider a survey by CareerBuilder. It found 45% of HR professionals now use social networking sites as part of the background screening process when hiring and 73% said lying about one's qualifications would prevent a candidate from being hired. On a broader scale, when you are seeking to catch liars in the act, consider such tips as: 1) Asking questions that you know the answer to, in order to see if the person's normal manner shifts abruptly. A person who is normally calm, but becomes agitated could be lying. 2) Someone who stares at you but doesn't seem to focus, or looks up and away, could be lying. 3) People who lie may blink more frequently - they are usually under stress and the eye just can't lubricate itself fast enough to compensate. 4) People who lie can be evasive with answers or try to make you feel bad for asking questions. 5) People who lie may use "I" and "me" less often, as they psychologically try to distance themselves from deception. 6) People who seem to be totally rehearsed when asked a question and give no hesitation when answering could be lying. 7) Listen for phrases emphasizing the validity of a statement like "to tell the truth" - liars often use them. There are no absolutely sure ways to avoid being lied to or lying yourself, if studies are any indication. People seem built to do it, sometimes telling big ones and sometimes telling little white ones. We all do it and whatever the reason or how bold the lie, you might be shocked, but in the average day it will happen to you or you will lie yourself anywhere from 10 to 200 times. Believe it or not, the Supreme Court is about to hear a case that

could change the course of lying. They will determine when lying reaches a point that it becomes a crime, so hopefully all of this will soon be cleared up. In the meantime, be sure to bring an extra pair of trousers to the office, just in case a conflagration unexpectedly erupts and you are in need of a new pair.

# BANK NEWS

## **New GSEs**

The FHFA gave a plan to Congress that calls for reduced infrastructure at FNMA and FHLMC in order to position the two GSEs closer to their original mandate. In addition, the plan targets both housing entities to maintain foreclosure prevention activities and credit availability while more accurately pricing risk with regard to fees.

## **Mortgage Rates**

The WSJ points out that 30Y mortgage rates to homeowners are still 100bp wider than historical standards. The difference supports the Fed's view that the "transfer mechanism" between monetary policy and the "real economy" is not functioning properly. Less competition, new regulations, lower liquidity and the higher costs of underwriting are all likely drivers in our opinion.

## **Facebook Payments**

According to the American Banker, Facebook has obtained a money transfer license in 15 states and has ambitions to further expand as it lays the foundation to compete with banks in the person-to-person payment space.

## **Tweet AMEX**

In a recent promotion and one worthy of emulating at banks, AMEX will include social media education and \$100 of Twitter advertising to the first 10k small business card users that sign up for Twitter's new self-managed advertising channel.

## **P2P**

A survey by eCom Advisors finds 50% of consumers would use P2P services if they were offered by their bank and 20% would switch to a bank that offers the capability.

## **Compliance**

A study by Continuity Control finds the average community bank will spend \$200,000 this year on compliance costs. Further, each new regulation impacts about 16 bank programs or job responsibilities.

*Copyright 2018 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.*