Message from the President

Pacific Northwest Chapter/ACFE Annual Fraud Conference
The 2nd Annual Chapter Fraud Conference will be held in Tacoma on May 2, 2016. There will be 8 hours of CPE, including 2 hours of ACFE Ethics training, available for all those that attend this event. Registration fees will be $150 for registration and payment received on or before April 11, 2016, $175 between April 12, 2016, and April 25, 2016, and $200 after April 25, 2016. Chapter members will receive a $50 discount from these rates. The Board of Officers will notify the Membership of more information including speakers, topics and registration procedures as it becomes available. See also pages 2-4 for more information.

Chapter Elections
The election for Chapter Board of Officers for the two-year term ending June 30, 2018, will be held at our June 8, 2016, annual luncheon business meeting. You must be present in order to vote. Candidates must be CFEs and must be active in the Chapter through regular attendance at Chapter Training events and other areas of service to the Membership. There are many benefits to serving on the Board of Officers, the most important being service to the Chapter and to the ACFE in our common fight against fraud.

The Board of Officers approved a slate of candidates for consideration by the Membership as follows:

Position                                      Name
President                                     Robert Goehring, CFE, CPA
Vice-President                                Julie Armbrust, CFE, CPA, MBA
Secretary-Treasurer                           Roger Gulliver, CFE, CPA, CISA, CBA
Board Member-at-Large/Training Director       John J. Tollefsen, JD, CFE, CCS
Board Member-at-Large                         Pete Miller, CFE, CPA
Board Member-at-Large                         Gayle Seyl, CFE, AHFI
Board Member-at-Large                         Nancy Pasternack, CFE, CPA/CFF, CIA

Benefits of Serving on the Board of Officers
Did you know that there are very real financial benefits to serving on the Chapter Board of Officers?

- Free registration for 3 Board Members for the Joint Chapter/ACFE October training class ($695/each), when held
- Up to $500 for one member for attendance at ACFE Annual Conference as the Chapter Representative
- Free registration for all Board Members at the Chapter’s Annual Fraud Conference ($100 each)

Any member meeting the eligibility requirements can run as a write-in candidate for any of these positions. In March 2016, the Board of Officers reclassified the President Emeritus position to an appointed position because only a former Chapter president is eligible for this position.

Robert A. Goehring/Chapter President/(253) 856-5262/President@fraud-examiners.org.
Upcoming Training

Type: Annual Fraud Conference
Date: May 2, 2016
Time: 8:00 a.m. - 4:20 p.m.
Topics: Various Fraud Topics
Speakers: Various
Where: La Quinta Inn & Suites (1425 East 27th Street, Tacoma, WA)
Price: $150 - On or before April 11, 2016 (Chapter members receive a $50 discount)
Registration: Pre-registration is required for this event. Attendees can pre-register and pay at the Chapter website (www.fraud-examiners.org).

Chapter Members In The News

The following Chapter Members have been active in our community outreach programs and other Chapter activities as follows:

(1) Chapter Member Jim Cronin, CFE, MPA was the speaker at our February 10, 2016, Fraud Seminar in Seattle. The topic was, “Searching Washington Court Records.” See also page 6 for additional information.

(2) On January 19, 2016, Chapter Board Member-at-Large Pete Miller, CFE, CPA, authored a blog entitled, “Benford’s Law: A Real Life Case Study” which was published on the ACFE blog site (https://acfeinsights.squarespace.com/acfe-insights/2016/1/15/benfords-law-a-real-life-case-study). This is a must read for anyone interested in learning more about this powerful fraud detection tool.

Other Chapter members are encouraged to notify President Robert Goehring (President@fraud-examiners.org) about their recent or future presentations or publications so that these events can be publicized in the newsletter.

May 2, 2016—Pacific Northwest Chapter/ACFE Annual Fraud Conference—La Quinta Inn & Suites—Tacoma, WA

Monday, May 2, 2016, is the date of our Chapter’s 2nd Annual Fraud Conference. Registration begins at 7:30 a.m. and a continental breakfast will be provided. The conference begins at 8:00 a.m. and ends at 4:20 p.m. Lunch will be provided from noon to 12:30 p.m.

The conference will again be held at the La Quinta Inn & Suites (1425 East 27th Street), Tacoma, WA. There is no charge for parking at the hotel.

There are 8 hours of Continuing Professional Education available to all who attend this event. This will include training that meets the ACFE annual 2-hour Ethics training requirement for Certified Fraud Examiners.

The Conference Coordinator is Chapter Board Member-at-Large Pete Miller, CFE, CPA. Pete Miller and Chapter President Robert Goehring, CFE, CPA will serve as Conference Co-Chairs.

Participants can register online through the Chapter website (www.fraud-examiners.org).

The cost of this event is $150 for participants that register and pay on or before April 11, 2016, $175 between April 12, 2016, and April 25, 2016, and $200 after April 25, 2016. Chapter members will receive a $50 discount from these rates. Chapter members must be current on their 2016 dues to be eligible for this discount.

Pre-registration for this fraud conference is required. However, a limited number of same day registrations may be available.

Participants that cancel in writing on or after April 11, 2016, will be given the option of transferring their registration to another person, or applying their registration fee to the 2017 Annual Fraud Conference. No refunds or credit will be given for “no shows”.

The speakers and topics for this conference are listed below and on pages 3-5. See the Chapter website (www.fraud-examiners.org).

2016 Annual Chapter Dues

Annual Chapter dues were due in January 2016. The dues are as follows: $24 for CFE Members; $30 for Associate Members; $36 for Affiliates of the Chapter (non-members); and $0-- for Retired Members and Student Members.

Information about how to pay is available on the Chapter website (www.fraud-examiners.org/membership.shtml).

The Chapter Board of Officers thanks you for your prompt attention to this matter, and appreciates your support of our Chapter’s fraud training mission.
Pacific Northwest Chapter/ACFE Annual Fraud Conference—Continued

Mark Calvert, CFE, CPA, CIRA, CTP
Managing Director, Cascade Capital Group

Topic:
Company Checks Used To Pay CFO’s Personal Credit Card Debt

Mark Calvert, CFE, CPA, CIRA, CTP, is the Managing Director of the Cascade Capital Group. He has more than 25 years of accounting, finance, operations and consulting experience. Mark has successfully raised over $500 million in capital for his clients in both public and private sector markets. His “Big Four” experience includes accounting, auditing, and consulting assignments. He has participated in bank loan loss analysis, organizational viability, valuations, and financial restructurings. He is a Certified Public Accountant, Certified Fraud Examiner, Certified Insolvency and Restructuring Advisor, and a Certified Turnaround Professional.

He graduated from the University of Washington with a B.A. in Business.

TOPIC AND DESCRIPTION:
More Information To Be Announced

In this session, Mark Calvert, CPA, CFE, CIRA, CTP will explain how a CFO with a “need” to pay back her personal credit card debt misappropriated over $34 million.

Carol A. Morgan, CFE, CPA, CIA, CCEP, CISA, CGMA
Vice President of Audit & Risk Management Services, World Vision US

Topic:
You Completed a Fraud Risk Assessment: Now, What Do You Do with the Information?

Carol A. Morgan, CFE, CPA, CIA, CCEP, CISA, CGMA, is the Vice President of Audit & Risk Management Services for World Vision US, a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide to reach their full potential by tackling the causes of poverty and injustice. In her role, she has responsibility for the planning and completion of operational, compliance, and financial audits conducted at all World Vision US sites as well as oversight for compliance and PCI data security.

Ms. Morgan began her auditing career working for the Defense Contract Audit Agency (DCAA) in the Washington, DC area. A move to Seattle, Washington provided an opportunity to develop her internal auditing skills while working for SAFECO Insurance. Returning to government auditing as Director of Internal Audit for Todd Pacific Shipyards, Ms. Morgan reestablished the internal audit function and was responsible for operational and government contract compliance audits. Ms. Morgan gained external auditing experience as a manager with the public accounting firm McGladrey and Pullen, LLP by performing financial statement audits of credit unions prior to accepting her current position.

Ms. Morgan is an active member of the Institute of Internal Auditors, Puget Sound Chapter Board of Directors and also serves on the Accounting and Internal Auditing Advisory Boards for Seattle University. Ms. Morgan and her husband, Robert were featured in the Society of Corporate Compliance & Ethics June 2008 magazine.

TOPIC AND DESCRIPTION:
You Completed a Fraud Risk Assessment: Now, What Do You Do with the Information?

In this session, conference participants will learn the foundations of fraud risk assessments, including the importance of asking some very important questions, including “Who would be interested in the results?” The speaker will also explain why fraud is a business risk not just a finance issue. Conference participants will also learn how to effectively use a Fraud Risk Assessment for the benefit of their organization or client and related “next steps”. Key components include:

- Using ACFE tools to find the boundaries of the control framework
- Create risk scenarios based on the organization’s environment
- Assess the likelihood and impact of the risk
- Align identified controls with relevant risks
- Assign accountability for the control
- Consider the strengthening of the control to adequately mitigate the risk
- Identify gaps in the framework for consideration
- Communicate the results of the assessment
The Fraud Examiner

Pacific Northwest Chapter/ACFE Annual Fraud Conference—Continued

Gina St. George, CFE, CPA, Senior Manager, Moss-Adams, LLP

Topic:

Fraudster Profiling

Gina St. George, CFE, CPA is Senior Manager with Moss-Adams, LLP. She is a Certified Fraud Examiner and Certified Public Accountant who started her public accounting career in 2001. In addition to auditing, her services include forensic accounting and fraud investigation, control system improvement, and operational assessment projects. Specialty areas include compliance with federal regulations and assessing accounting operations to provide recommendations for improvement.

Fraud investigation experience includes detecting schemes related to disbursements, revenue, fraudulent asset transfers, and contract compliance. Activities include quantifying the financial loss to the client through detail testing of transactions using both manual and automated techniques; interviews with the suspect(s), witnesses, and the victim(s); personal computer data mining, and obtaining evidence from outside parties. Gina also has experience working with law enforcement including conducting evidences searches of suspect’s office. Finally, her experience includes working with the client’s attorney in analyzing evidence and providing accounting expertise.

Gina is a member of the Association of Certified Fraud Examiners, the American Institute of Certified Public Accountants, the Institute of Internal Auditors, and the Pacific Northwest Chapter/ACFE.

TOPIC AND DESCRIPTION:
Fraudster Profiling

“Books and records don’t commit fraud, people do.” - Joseph T. Wells, founder of the Association of Certified Fraud Examiners.

Building a case against fraudsters is more than just looking at financial data. Profiling suspects using all available non-financial information is an important part of the process. This session will highlight a case in which over $500,000 went missing over a period of several years. Several employees had access to the funds, so the case was strengthened using non-financial information to support the documentation of financial losses.

Dr. Brian K. Steverson
John L. Aram Chair of Business Ethics in the School of Business Administration at Gonzaga University, and Faculty President

Topic:

Ethics and “Fraud” in Social Media

Dr. Brian K. Steverson is the John L. Aram Chair of Business Ethics in the School of Business Administration at Gonzaga University, and Faculty President. Prior to assuming the Aram Chair in 2008, he was a member of the Philosophy Department since 1992. He received his Ph.D. from Tulane University in 1991. His main areas of current scholarship are business ethics, professional ethics, and the ethics of entrepreneurship. His research interests include the ethics of pre-employment screening for psychopathic disorders, the growing movement for professionalizing business management, the Jesuit model of business education, and the use of choice architecture as a management technique. His work has appeared in Environmental Ethics, the Online Journal of Ethics, Topics in Contemporary Philosophy, the Business and Professional Ethics Journal, the Journal of Ethics & Entrepreneurship, and the Journal of Jesuit Business Education.

TOPIC AND DESCRIPTION:
Ethics and “Fraud” in Social Media

One might suppose that we could simply transfer our understanding of ethics into the virtual world of social media. In this session, conference participants will learn that what counts as ethically wrong in the “real world” could also become wrong in the “virtual world.” However, such a simple transfer of ethics into the various realms of social media is not as straightforward as one might hope for. The nature of social media activities like social networking, blogging, video and photo sharing, and online gaming may require uniquely reconfigured sets of ethical expectations. The speaker and participants will discuss how and why these expectations may differ, with a focus on how we should think about “fraud”, as a moral “Thou Shall Not”, in the virtual world of social media.
Overview of the June 8, 2016, Chapter Annual Luncheon Business Meeting and Fraud Seminar in Tukwila

June 8, 2016, is the date of our Chapter Annual Business Luncheon Business Meeting and Fraud Seminar at the Bahama Breeze Restaurant, 15700 Southcenter Parkway, Tukwila, WA.

There is 1 hour of Continuing Professional Education available to all who attend this event.

The cost of this fraud seminar is $10 for Members and $15 for non-members. Student members may attend this event at no cost. The luncheon is free, and we always have a wonderful meal prepared for the attendees. There will be drawings for five Amazon gift cards.

Pre-registration is not required. Attendees can register and pay at the Chapter website (www.fraud-examiners.org\training.shtml) or at the door.

The speaker and topic for this event will be announced by e-mail and in the May/June 2016 Chapter Newsletter.

See also Message from the President (page 1). Our bi-annual Chapter elections will be held as part of the Membership Meeting. You must be present in order to vote.

New Chapter Members

Please welcome the new members who joined the Chapter during the period January 2016 through mid-March 2016:

CFEs:
• Crystal Frazier
• Kelly Quirin
• Lonnie Rich

Associate Members:
• Kim Haack
• Alphonso Melton Jr.
• Joseph Parzick

Student Members:
<none>

We have several Chapter members who are currently studying for the CFE Examination. So, we expect to see their names listed in this section of the newsletter in the near future. Let’s all wish them success in this most important professional matter.

“Laws control the lesser man. Right conduct controls the greater one.” - Chinese Proverb
The Tidbit: Scam Alerts—(1) Five Misleading Investment Pitches. Don’t Fall For These Slick Sales Tactics; and (2) Internal Revenue Service (IRS) Telephone Scam Affecting Military Retirees

Scam No. 1. This information was paraphrased from the March 2015 issue of AARP Bulletin/Real Possibilities by Jane Bryant Quinn.

Outrage. Five Misleading Investment Pitches. Don’t Fall For These Slick Sales Tactics.

Believe it or not, slippery sales people often lie and cheat. You know they’re out there and believe you’re on your guard. Yet sometimes they get past your defenses. What is their secret? They manipulate your emotions, not only fear and greed, but also your warmer feelings, such as friendliness and a desire to please.

People who live honest lives find it hard to believe that chatty men and women wearing good suits and designer shoes will cheerfully deceive them. So, they offer their trust, which is a critical mistake. Other people in midlife and older are their particular targets because that’s where the money is.

When it comes to avoiding misleading sales, a little knowledge might be a dangerous thing. Those with investing experience are more susceptible to fraud than those without it. Men are also more gullible than women. They’re more willing to gamble or feel more confident that they understand the risks.

Salespeople rope in their marks with approaches that are proven. Here are the top five outrageous practices to watch out for:

- People who made this investment are already earning 50 percent a year! Other versions of this story include “always beats the market!” and “high fixed returns guaranteed!”. No investment has a guaranteed return, and nothing earns 50 percent a year or even 25 percent a year, over time. Never buy anything based on a promise of thrilling or get rich yields.
- You can trust me because we belong to the same church (or temple, country club, bowling team, or any other type of organization)! Con men don’t just call strangers on the telephone. They find victims in their own social group. Don’t assume that financial salespersons share your values (such as truth-telling) just because they sing in the choir. When you lose money, they’ll beg for forgiveness by claiming that they truly believed the investment was a good one (I put my own mother in it!). Don’t forgive them, and warn your friends away.
- This investment is registered with the Securities and Exchange Commission (SEC)! Of course, this statement makes it sound safe to a potential victim. But, the SEC doesn’t vet investment products. Therefore, assume that anyone making this statement hopes to mislead you.
- I specialize in conservative investments for seniors! When advisers make this claim, 46 percent of their listeners are more inclined to heed their counsel. Most of these “specialists” probably took no more than a weekend course. Their true expertise lies in selling high-priced investments and annuities at free-lunch seminars. So, don’t go to them and don’t buy from them either. Think of it this way – if it’s such a great deal, why aren’t they investing their own money and keeping the investment secret for their own purposes? Or stated another way – why are they willing to give this special information to you?
- I’ll earn a commission on this sale! Here’s a surprise. Brokers who declare their conflict of interest when touting bad investments are especially persuasive. With their declaration, they’re subtly saying that buying will help them out. That pressures you to cooperate.

On paper, these ploys sound obvious. In person, however, they can mislead you and possibly grab your money. Stick with investments that have worked for you in the past and leave the “safe, guaranteed, double-your-money” pitches alone. Your money will be much safer in the long term.

Scam Alert

Summaries:

(1) “Devious sales people often lie and cheat. Beware.”

(2) “Beware telephone calls from individuals claiming to represent the IRS.”

Scam No. 2. This information was paraphrased from the Fall/Winter 2014 issue of the Afterburner News for Air Force Retired Personnel (AFRP 36-1, Volume (Continued on page 7)
The Tidbit—Continued
(Continued from page 6)
56, Number 2), Washington D.C.

Internal Revenue Service (IRS) Telephone Scam Affecting Military Retirees.

Officials have issued a warning to taxpayers to beware telephone calls from individuals claiming to represent the IRS in an effort to defraud them. The Treasury Inspector General for Taxpayer Administration (TIGTA) has received reports of more than 20,000 contacts and has become aware of thousands of victims who have collectively paid over $1 million as a result of the scam. It’s the largest scam of its kind the agency has ever seen.

At all times, but particularly during tax filing season, it’s important to make sure that innocent taxpayers are alert to this scam so they aren’t harmed by criminals. The agency adds that the scam has hit taxpayers in nearly every state in the country.

Callers claiming to be from the IRS tell intended victims they owe taxes and must pay using a prepaid debit card or wire transfer. The scammers threaten those who refuse to pay with arrest, deportation, or loss of a business or driver’s license.

The truth is that the IRS usually first contacts people by mail, not by telephone, about unpaid taxes. And, the IRS won’t ask for payment using a prepaid debit card or wire transfer. The IRS also won’t ask for a credit card number over the telephone.

If someone unexpectedly calls you claiming to be from the IRS and uses threatening language if you don’t pay immediately, that’s a sign that it really isn’t the IRS calling. Callers who commit this fraud often:
- Use common names and fake IRS badge numbers.
- Know the last four digits of the victim’s Social Security number.
- Make caller identification information appear as if the IRS is calling.
- Send bogus IRS e-mails to support the scam.
- Call a second time claiming to be the police or from the department of motor vehicles, and the caller identification information again supports their claim.

Anyone who gets a call from someone claiming to be with the IRS asking for a payment should call the IRS at 1-800-829-1040 if they owe federal taxes or think they may owe taxes.

Taxpayers should know the IRS will never request personal or financial information by e-mail, texting, or any social media.

People can forward scam e-mails to phishing@irs.gov, and should not open any attachments or click on any links in those e-mails.

Read more about tax scams on the genuine IRS web-site at: www.irs.gov.

Volunteer Opportunity — UW Fraud Victims Pilot Project - Fraud Class—
UW (Bothell Campus)

A Report to the Pacific Northwest Chapter/ACFE on the University of Washington (UW) Fraud Victims Pilot Project — By: Joseph R. Dervaes, CFE, ACFE Fellow, CIA, Chapter President Emeritus.

The University of Washington (UW) Fraud Victims Pilot Project is comprised of the King County Prosecuting Attorney’s Office (Economic Crimes Unit), several law enforcement agencies in King County, WA, a Forensic Accounting Class instructor from the University of Washington (Bothell Campus) Accounting Department, and one or more Certified Fraud Examiners (CFEs) from the Pacific Northwest Chapter of the Association of Certified Fraud Examiners. The project provides an opportunity for students attending a UW (Bothell Campus) Graduate Forensic Accounting Class to use their skills to help fraud victims obtain some measure of justice. The fraud victims in this project must be either private citizens or small businesses in King County who are unable to pay for a fraud examination to deal with an individual or individuals who reportedly caused them significant financial harm. The objective of the project is for the UW students and one or more CFEs to conduct a pro-bono fraud examination and issue a fraud examination report that would lead to the potential prosecution of the wrong-doer(s) in the case.

The inaugural Graduate Forensic Accounting Class (Winter 2014) at the UW (Bothell Campus) was a huge success! There were 14 students who attended class each Saturday for 3.5 hours during the period January 10, 2015, through March 14, 2015. There were three CFEs who were Co-Instructors in the class and who also served as CFE Mentors for the students. The CFEs brought approximately 100 years of combined life experience to the classroom. It’s also noteworthy to highlight that the CFEs helped to formulate the instructional material for this class, which was quite an achievement. This graduate studies class was taught by Dr. Rajib Doogar at the UW Bothell Eastside Leadership Center in Bellevue, Washington.

There was no formal textbook for this class. Rather, the primary source of student learning came from their experience working on two actual fraud cases provided for their review by the
Fraud Law—March 2016—By Dr. John J. Tollefsen, CFE, JD, CCS

Ban-the Box Legislation

New legislation beginning to emerge around the country may initially seem counter-intuitive to CFEs. The new laws prohibit employers from asking an applicant about his/her criminal history on a job application or during initial screening and delays that inquiry until after an applicant is determined to be otherwise qualified for the job. There is something in us CFEs that wants to know all but it is becoming clear that many of those caught up in the criminal system have little chance of becoming contributing citizens once they are branded as a criminal.

On November 3, 2015, President Obama signed a ban-the-box (aka “Fair Chance”) executive order addressed to federal agencies (referring to the box to check on an employment application affirming a criminal conviction).

According to the National Employment Law Project there are more than 100 cities and counties around the country that have adopted ban-the-box rules.

Effective October 27, 2015, the New York City Human Right Law was amended by The Fair Chance Act. (N.Y.C. Administrative Code §8-107(11 -a))). Guidance which promises vigorous enforcement was published ((http://www.nyc.gov/html/cchr/html/coverage/fair-chance-legalguidance.shtml)). In December of 2015, Portland, Oregon adopted a Fair Chance Law. Under their version of the law, employers are prohibited from inquiring about or even accessing an applicant’s criminal history from any other source before making a “conditional offer of employment.” This is defined as being any offer that is conditioned solely on the results of the criminal background inquiry or some other contingency that is expressly communicated to the applicant at the time of the offer.

There currently is a Ban-the-Box bill enrolled in the Washington Legislature (H-3695.1). It is a milder version of the New York and Portland laws. In its present form it has no private right of action and may not be construed to create a private right of action to seek damages or remedies of any kind. It is exclusively enforced by the state attorney general. It provides:

In exercising its powers, the attorney general’s office shall utilize a stepped enforcement approach, by first educating violators, then warning them, then taking legal, including administrative, action. Maximum penalties are as follows: A notice of violation and offer of agency assistance for the first violation: a monetary penalty of up to seven hundred fifty dollars for the second violation; and a monetary penalty of up to one thousand dollars for each subsequent violation.

Unlike other Fair Chance laws, the Washington bill does not carve out an exception for smaller businesses but has the other usual exceptions (e.g. child care and law enforcement).

It is sold as a taxpayer savings measure. By helping ex-offenders find productive employment, it reduces prison populations, reduces demand for public assistance, reduces crime, and increases sales tax revenues. However, arguably it is so weak that it may have no effect. It prohibits the employer from excluding an applicant from an initial interview. It provides, “It is unlawful for an employer to advertise employment openings in a way that excludes people with a criminal record from applying. Advertising that states ‘no felons,’ ‘no criminal background,’ or otherwise conveying similar messages are prohibited”. It does not prohibit an employer from excluding the applicant from the hiring opportunity after the initial interview,” . . . nothing in this section prohibits an employer from considering an applicant’s criminal record prior to making a hiring decision”.

John J. Tollefsen, J.D., LL.M., is the founder of Tollefsen Law PLLC, an attorney, Certified Fraud Examiner, and Certified Controls Specialist. John@Tollefsenlaw.com. See TollefsenLaw.com for more information regarding fraud law. More information and a footnoted copy of this article can be found at https://tollefsenlaw.com/fair-chance-washington/

John Tollefsen is also the Chapter Training Director, member of the Chapter’s Web-site and Newsletter Committee and the contributor for all of the information presented in this column.

Free ACFE Webinars by Logging on to Your ACFE Membership Account

For dues paying members of the Global ACFE organization, the ACFE offers free training. The webinars are typically 60 minutes in length and are equal to 1 credit hour of ACFE approved CPE credits.

Archived webinars are available for a limited time and new content is periodically uploaded. More information can be found by logging in to the ACFE web site as a member, clicking on “My Account” in the upper right corner, and then clicking on the link in the paragraph in the right column which says “Access archived webinars.”

Currently available free webinars include:
- The Evolving Financial Crime Landscape: Using Next Generation Technologies to Solve the Puzzle
- Cyber Threats: The Gateway to Fraud
- Fraud Analytics in the Cloud
Volunteer Opportunity — Continued

(Continued from page 7)

King County Prosecuting Attorney’s Office. They completed an employee embezzlement fraud case during the class and issued a fraud examination report and an internal control report to the King County Prosecuting Attorneys Office and the organization where the loss occurred at the completion of the class. However, there was an insufficient amount of time available for the students to similarly complete an elder abuse fraud case that was also provided to them for review. Instead, the students used their limited time to gain some insight into the case by reviewing the documents provided by the prosecutor. However, no formal conclusions were reached in the matter.

Other student learning sources included the following:

Dr. Doogar researched the Internet and provided selected Fraud Articles for the students to review and comment upon during the class.

Joe Dervaes made presentations to the class on: “The Essence of a Fraud Examination – How it’s Different from a Regular Audit”; and, “Secrets to Success While Performing Employee Embezzlement Fraud Examinations – Concepts to Remember”. He also handled many of the fraud engagement administrative tasks to help ensure that the class and the students were successful.

John Tollefsen made a presentation on: “The Differences Between Criminal and Civil Law”. He also developed a student exercise based on the employee embezzlement fraud case to give the students experience preparing for future civil depositions. During this exercise the students performed the duties of prosecuting attorney, defense attorney, and expert witness.

Liz Larson made a presentation on: “Elder Abuse Fraud”, including an elder abuse fraud case study for review by the students.

Dr. Sridhar Ramamoorti, ACA, CPA/CITP/CFI/CGMA, CIA, CFE, MAFF, CFSA, CGAP, CGFM, CRMA, Associate Professor of Accounting, and Director - Corporate Governance Center, Kennesaw State University, Guest Lecturer on the book he co-authored with three other professionals on the topic of: “The ABCs of Behavioral Forensics – Applying Psychology to Financial Fraud Prevention and Detection”, Wiley (2003).

Finally, the instructor and all CFEs made brief presentations on their biography and the types of fraud cases from their background in the career field.

The three CFEs attended all scheduled classes, with the exception of one CFE who had emergency surgery and missed one class (excused absence). We learned from this inaugural Graduate Forensic Accounting class that it was extremely important for the CFEs to be present in the classroom all of the time so that they could respond to student questions and formally mentor the students. Their participation and interaction with the students throughout the class was invaluable.

The three CFEs who participated in this class were as follows:

- Joseph R. Dervaes, CFE, ACFE Fellow, CIA, Retired, President Emeritus, Pacific Northwest Chapter/ACFE;
- Dr. John J. Tollefsen, CFE, CCS, JD, Tollefsen Law, Chapter Training Director; and,
- Elizabeth Larson, CFE, Capital One, Chapter Member.

At the conclusion of the class, the students prepared and delivered an outstanding briefing on the employee embezzlement fraud case to the King County Prosecuting Attorney’s Office, UW Bothell executives and dean, a guest lecturer, and the CFE Mentors. During this presentation, the students demonstrated their understanding of the fraud case they reviewed and showed the depth of knowledge they had gained during the class about this type of fraud.

This class was a wonderful experience for the CFE Mentors to watch the students develop their expertise during this pilot project. They began the class as novices, and wound up being quite competent in the subject matter when their work was done. Everyone had a learning experience that they will remember throughout their lives.

Now for the future of this program. The UW (Bothell Campus) plans to hold its next Graduate Forensic Accounting class in Spring 2016 (classes from March 28—June 3, 2016). What this says is that now is the time to begin thinking about whether you would also be willing to participate in future classes of this pilot project. We trust that the excitement generated by the results of this inaugural class will result in additional Chapter CFEs who would be willing to “throw their hat into the ring” for the next class.

How about you? If you are interested in becoming a CFE Mentor in the future, please contact any of the following for additional information about the program: Joe Dervaes, John Tollefsen, Liz Larson, or Robert Goehring. This is an extraordinary opportunity for Chapter Members who are currently retired and might be better able to volunteer their time than those who are currently working. But, the opportunity is available to all, as can be attested to by John Tollefsen and Liz Larson. They’re currently working, yet still found time to work on this pilot project. So, this is an equal opportunity sport for both retired and active CFES to pursue. Thank you in advance for considering this opportunity to improve your personal growth in the fraud examination career field.

The dates of this upcoming class are rapidly approaching. You are definitely needed now. Will you volunteer? The Chapter Board of Officers certainly does hope so, and looks forward to future participation by additional CFES from our Chapter membership directory. We want this invaluable program to continue as a successful endeavor by the Chapter.
Start Planning for the ACFE 27th Annual Global Fraud Conference and Exhibition—June 12-17, 2016—Las Vegas, NV

Join nearly 3,000 anti-fraud professionals at the 27th Annual Fraud Conference in Las Vegas, NV June 12-17, 2016. See also http://www.fraudconference.com.

Location:
ARIA Resort & Casino
3730 Las Vegas Blvd
Las Vegas, NV 89158
(702) 590-7757
(866) 359-7757

Individual Registration:
Register online or contact the ACFE at (800) 245-3321.

Group/Team Registration:
Contact the ACFE at (512) 478-9000 or e-mail groupregistration@acfe.com for registration information, including group pricing that is available for teams of three or more from the same organization.

The Pacific Northwest Chapter/ACFE will again participate in team registrations. See below for procedures.

There were six members of the Pacific Northwest Chapter/ACFE that attended the June 2015 event as part of the ACFE Team Registration process and received at least a $100 registration discount.

ACFE Announces Keynote Speakers for the 27th Annual Global Fraud Conference and Exhibition June 12 - 17, 2016, in Las Vegas, Nevada

The ACFE Global Fraud Conference traditionally hosts the foremost experts in the anti-fraud field. These leaders share their insights and address the key anti-fraud issues relevant to you. Previous keynote speakers include: U.S Attorney Preet Bharara, Senator Christopher J. Dodd, John Walsh, Michael Chertoff, Harry Markopolos, Senator George Mitchell, Senator Paul Sarbanes, the Honorable Michael Oxley, Ben Stein, Rudy Giuliani, Lesley Shahl, and many others.

Keynote speakers for 2016 include:

**Judge Jed S. Rakoff**
U.S. District Judge, Southern District of New York

Jed S. Rakoff has served since March 1996 as a United States District Judge for the Southern District of New York. He also frequently sits by designation on the Second, Third and Ninth Circuit Courts of Appeals. In addition, Judge Rakoff holds the position of Adjunct Professor at Columbia Law School, where he teaches courses in white collar crime, science and the law, class actions, and the interplay of civil and criminal law. He has co-authored five books, written more than 130 published articles, delivered more than 520 speeches, and authored more than 1,500 judicial opinions.

Judge Rakoff holds a B.A. degree from Swarthmore College (1964), an M.Phil. Degree from Oxford University (Balliol, 1966), and a J.D. degree from Harvard Law School (1969). Following law school, he spent a year clerking for the late Honorable Abraham L. Freedman, U.S. Court of Appeals, Third Circuit, and two years as an associate at the Debevoise law firm. From 1973-80, he served as an Assistant United States Attorney General Office in the Southern District of New York, the last two years of which he was Chief of Business & Securities Fraud Prosecutions. Thereafter, before going to the bench, he was a partner at two large law firms in New York, specializing in white collar criminal defense and civil RICO.

Judge Rakoff serves on the National Commission on Forensic Science and served as co-chair of the National Academy of Science's Committee on Eyewitness Identification. He serves on the New York City Bar Association's Executive Committee, and was previously chair of the Association's Honors and Criminal Law Committees. He was also Chair of the Second Circuit's Bankruptcy Committee, and Chair of the Southern District of New York's Grievance Committee and Criminal Justice Advisory Board. He has also served on Swarthmore College's Board of Managers, on the Governance Board of the MacArthur Foundation's Project on Law and Neuroscience, and on the Committee on the Development of the Third Edition of the Manual on Scientific Evidence. He assists the U.S. Departments of Commerce and State in training programs of Iraqi judges in Baghdad and in Istanbul. He is a member of the American Academy of Arts and Sciences and of the American Law Institute, and is a Judicial Fellow for the American College of Trial Lawyers and the American Board of Criminal Lawyers. He was a Director of the New York Council of Defense Lawyers from 1990-1994.
ACFE Announces Keynote Speakers —Continued

**Anthony Menendez**  
Whistleblower, Halliburton

Best known as the “Accountant Who Beat Halliburton,” Anthony Menendez is widely recognized for his decade-long legal battle with Halliburton as a corporate whistleblower under Sarbanes-Oxley. Despite having no formal legal training, as a pro-se litigant during the appeals process, he ultimately prevailed in the Fifth Circuit Court of Appeals. His case has had a significant and positive impact on the corporate whistleblower body of law.

Menendez is currently a top controller for General Motors Company, overseeing the accounting and reporting for all U.S. Sales, Services, & Marketing covering the reporting of over $100 billion in annual revenues in one of the most complex pricing and incentive environments in addition to the reporting of one of the largest media and promotional budgets in the world. He came to GM in 2009 as part of the global technical accounting effort to help GM emerge from Bankruptcy, successfully completing one of the largest IPO’s in history.

Immediately prior to GM, he served as a litigation consulting expert working with attorneys representing shareholders in complex nationally litigated cases involving allegations of improper financial reporting and auditing. As a consultant, he also provided continuing education seminars to professionals across the globe covering U.S. GAAP, IFRS, SOX, and SEC reporting. He is also a former audit executive at Ernst & Young where he focused on entrepreneurial and emerging growth companies; working with numerous companies across various industries in differing stages in the IPO journey and post-IPO environment.

**David Barboza**  
Investigative Journalist, The New York Times Pulitzer Prize Winner

David Barboza has been a correspondent for The New York Times based in Shanghai, China, since November 2004.

In 2013, Barboza was awarded the Pulitzer Prize for International Reporting “for his striking exposure of corruption at high levels of the Chinese government, including billions in secret wealth owned by relatives of the prime minister, well documented work published in the face of heavy pressure from the Chinese officials.” He was also part of the team that won the Pulitzer Prize for Explanatory Reporting.

Barboza was a freelance writer and a research assistant for The New York Times before being hired in 1997 as a staff writer. For five years, he was the Midwest business correspondent based in Chicago. Since 2008, he has served as the paper’s Shanghai bureau chief.

Barboza won two awards in The Society of American Business Editors and Writers (SABEW) 2007 Best in Business Journalism Contest: one for New York Times article, “A Chinese Reformer Betrays His Cause, and Pays.” He was also part of the team that won the 2008 Grantham Prize for environmental reporting for the series “Choking on Growth: China’s Environmental Crisis.” In 2002, he was part of a team that was named as a finalist for a Pulitzer Prize for coverage of the Enron scandal.

In 2008, Barboza won The Times’s international business award, the Nathaniel Nash Award. He has twice won the Gerald Loeb Award for business reporting.

“Your reputation and integrity are everything. Follow through on what you say you’re going to do. Your credibility can only be built over time, and it is built from the history of your words and actions.” - Maria Razumich-Zec
ACFE Announces Keynote Speakers —Continued

Steve van Aperen
Body Language Expert

Steve van Aperen is an author, speaker, media commentator and trainer. He is known as an expert in the field of behavioral interviewing, reading body language, detecting deception and changing behaviors through rapid induction hypnosis. He has conducted behavioral interviews on 68 homicide and 2 serial killer investigations and consults his services to Fortune 500 Companies, police departments, intelligence agencies and government departments throughout the world on how to read body language and detect deception by analyzing verbal, non-verbal and paralinguistic behaviors.

Van Aperen has appeared on CNN, Access Hollywood, The News Room and many other programs and is affectionately referred to as the “Human Lie Detector”. As a former police officer having trained with the FBI, LAPD and the U.S. Secret Service he has emerged as a leading authority on reading and analyzing human behavior. Today he devotes his knowledge to helping police departments, intelligence agencies, investigators and corporations in how to read body language and analyze the content and structure language when people engage in deception.

2016 Chapter Incentive Award Program

Each calendar year the Board of Officers recognizes one Associate Member who becomes a Certified Fraud Examiner during that year and meets other requirements, by granting him/her an award of $500 to help defray the costs of obtaining the CFE professional credential.

See the Chapter website (http://www.fraud-examiners.org/PNW_Chapter_Incentive_Award.shtml) for specific information concerning eligibility and the selection process.

Key items (Not All-Inclusive):
- Deadline for fulfilling all of the requirements—Dec 31, 2016
- Applicant must be an Associate Member of the Chapter and provide written notice of intent to the Board to apply for this award
- Applicant must pass the CFE Examination and obtain the CFE Credential in 2016
- Applicant must attend at least two of the Chapter’s Fraud Training events
- Applicant must incur eligible expenses that are not reimbursed by his/her employer or other party

The winner will be determined through a drawing, if more than one person meets the eligibility requirements. The winner will be announced at the February 2017 Chapter Fraud Seminar.

There were no applicants for the 2015 Award.

CPE Compliance for Certified Fraud Examiners

When you renew your annual dues you must certify your CPE compliance.

You are required to earn 20 hours of CPE each year, **10 of which must be fraud related, and 2 of which must be on ethics.**

Report your CPE Compliance to the ACFE in your anniversary month (online or by phone).

If a CFE has earned more than 20 CPE hours of CPE in any year, he/she may carry forward up to 10 of these extra hours to meet their future CPE requirements.

Now you can find all your CPE information in one convenient place. Browse the My CPE for information and updates on:
- How CPE Works
- CPE Changes from Year to Year
- Maintaining CPE

Records / CPE Audit

You may access the My CPE from your My Account section or at ACFE.com/CPE.

It is understandable that you may have questions, so feel free to contact the ACFE’s CPE Compliance Team or Member Services by calling (800) 245-3321 or +1 (512) 478-9000, or by e-mail at CPE@ACFE.com.

“If you don’t know what you’re looking for you’ll never find it.”  - Allen F. Brown
Presentation of the 2014 Chapter Distinguished Achievement Award

At our February 10, 2016, bi-monthly fraud seminar, Chapter President Robert Goehring presented the Chapter 2014 Distinguished Achievement Award to Ken Wilson, CFE, CSAR., owner of Wilson Investigative Services, where he specializes in fraud, embezzlement, money laundering, RICO, ethics and Title VII of the Civil Rights Act investigations and expert witness testimony.

The Chapter Board of Officers approved this award at its February 11, 2015, meeting in Seattle. In addition, the Membership of our Chapter also approved this award at its June 10, 2015, Annual Luncheon and Business Meeting in Tukwila.

Ken was recognized for his many years of service and leadership to the Chapter.

Ken joined the Pacific Northwest Chapter/ACFE shortly after he received his ACFE certification on December 10, 1996, and has been an active member of the Chapter and the ACFE since that time.

Ken supports the Pacific Northwest Chapter/ACFE through his long-standing attendance at our Chapter bi-monthly fraud training events, regional conferences, and the annual business luncheon. Ken has been a contributing author in the Fraud Magazine as well as contributing author in: Fraud Casebook: Lessons from the Bad Side of Business.

Ken's interest in fraud prevention dates back over forty-one years and it has been a passion he has followed throughout his career. He started his career in law enforcement and worked as an investigator for three different Washington State agencies for twenty-seven years. During that time Ken had an opportunity to conduct major fraud investigations, as well as ethical misconduct investigations for all three branches of state government. When he retired from state service in 2001, Ken established his own private investigative firm, Wilson Investigative Services, and has not looked back. Ken now specializes in fraud and money laundering investigations, as well as ethical misconduct and discrimination investigations.

In addition to his role as a Certified Fraud Examiner and Certified Specialist in Asset Recovery, Ken is also passionate about expanding the awareness of fraud, the effectiveness of prevention techniques, and the opportunities available to new professionals looking to get involved in the fight against fraud. Ken is a frequent speaker and a recognized expert in the Puget Sound business community on the topic of fraud prevention and detection.

As part of Ken’s business model, he provides educational training and consulting to businesses on fraud awareness and prevention, having presented a series of lectures to financial institutions and their business clients.

Ken is also a licensed Private Investigator (PI).

The Board of Officers joins the entire Chapter Membership in congratulating Ken for his continued fine achievements on behalf of the Chapter!

"The motivation to satisfy Wall Street earnings expectations may be overriding common sense business practices... In the process, I fear, we are witnessing a gradual but inexorable erosion in the quality of financial reporting." - Former SEC Chairman Arthur Levitt
Links to

ACFE Chapters

Pacific NW Chapter
www.fraud-examiners.org

Oregon Chapter
www.oacfe.org

Spokane Chapter
www.spokanefraud.org

Boise Chapter
www.boiseacfe.org

Big Sky Chapter (Montana)
kathy.arata.
ward@josepheve.com

Vancouver, B.C.
www.cfevancouver.com

Edmonton Chapter
www.acfe-edmonton.com

Calgary Chapter
www.acfe-calgary.com

International

ACFE

Headquarters

www.ACFE.com

Do you have ideas for our next newsletter?

Want to write the review for the last fraud training you attended?

We would love your feedback!

Contact Robert Goehring at
President@fraud-examiners.org

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Other ACFE Fraud Training Opportunities

- Auditing for Internal Fraud, Boston, MA 4/4/16 - 4/5/16
- Uncovering Fraud with Financial and Ratio Analysis, Sacramento, CA 4/4/16 - 4/5/16
- CFE Exam Review Course, Athens, Greece 4/6/16 - 4/9/16
- CFE Exam Review Course Part 1, Lagos, Nigeria 4/9/16 - 4/10/16
- Principles of Fraud Examination, Austin, TX 4/11/16 - 4/14/16
- CFE Exam Review Course, Melbourne, Australia, 4/12/15 - 4/15/16
- CFE Exam Review Course Part 2, Lagos, Nigeria 4/16/16 - 4/17/16
- CFE Exam Review Course, New York, NY 4/18/16 - 4/21/16
- CFE Exam Review Course, Dubai, UAE 4/24/16 - 4/28/16
- Protecting Against Data Breaches and Cyber Fraud, Chicago, IL 4/25/16 - 4/26/16
- Contract and Procurement Fraud, Ottawa, ON 5/2/16 - 5/3/16
- CFE Exam Review Course, Muscat, Oman 5/8/16 - 5/12/16
- Conducting Internal Investigations, Orlando, FL 5/12/16 - 5/13/16
- CFE Exam Review Course Abuja, Nigeria 5/19/2016 - 5/22/2016

The ACFE contact point for all course offerings is Caitlin Perdue, Event Marketing Specialist, by phone at 1-800-245-3321, or at the web-site www.ACFE.com. Contact her for more information and actual registration procedures.

Other ACFE Chapter Annual Fraud Conferences

- Annual Fraud Conference, Pacific Northwest Chapter (May 2, 2016—Tacoma, WA)
- Annual Fraud Conference, Portland, OR Chapter (May 25-26, 2016—Portland, OR)
- Annual Fraud Conference, Spokane, WA Chapter (October 25-26, 2016—Spokane, WA)
- Anti-Fraud Training, Vancouver Chapter/Justice Institute of BC (to be announced)

The Chapter Board of Officers & Training Director

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