

## CFE UPDATE

May-June 2002

### **Chapter Board of Officers**

President: Linda L. Saunders, CFE, CPA, CGFM  
Owner, Forensic Accounting Consulting (206) 842-4809  
[forensicCPA1@cs.com](mailto:forensicCPA1@cs.com)  
Bainbridge Island, Washington

Vice-President: Norman J. Gierlasinski, PhD, CFE, CPA, CIA  
Professor, Central Washington University (206) 439-3800, Extension 3825  
[normang@cwu.edu](mailto:normang@cwu.edu)  
SeaTac, Washington

Secretary-Treasurer: Joseph R. Dervaes, CFE, CIA (360) 710-1545  
Association of Certified Fraud Examiners Fellow  
Chairman of the Board of Regents, Association of Certified Fraud Examiners  
Audit Manager for Special Investigations, Washington State Auditor's Office  
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Port Orchard, Washington

Director-At-Large: Roger B. Gulliver, CFE, CPA, CISA, CBA  
Owner, Robert B. Gulliver, CPA (253) 735-2392  
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Auburn, Washington

Director-At-Large: Bernadette McBride, CFE, CPA  
Investigator, Medicaid Fraud Control Unit, Attorney General's Office (360) 697-3342  
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Poulsbo, Washington

## **Association and Chapter Fraud Training and Meeting Dates**

**Be sure to mark the following calendar year 2002 fraud training meetings on your personal schedule and plan to attend:**

**June 26, 2002:** Annual Chapter Business Luncheon Meeting and Fraud Training Seminar at the Mayflower of China Restaurant, 17005 SouthCenter Parkway, telephone number (206) 575-4193), near SouthCenter Mall.

The speaker for our fraud seminar following the annual Chapter business meeting is Mark D. Ferbrache, Supervisory Special Agent, Federal Bureau of Investigations, Seattle. There is one hour of continuing professional education credit for attending this fraud presentation.

**August 4-9, 2002:** 13<sup>th</sup> Annual Fraud Conference, Association of Certified Fraud Examiners; Renaissance Hollywood Hotel; Los Angeles, CA. **Register directly with the Association of CFE's by calling 1-800-245-3321 (Austin, TX).** The cost of last years conference was \$350 for the one-day pre-conference (4<sup>th</sup>), \$895 for the 2.5 day annual fraud conference (5<sup>th</sup>-7<sup>th</sup>), and, \$595 for the two-day post-conference (8<sup>th</sup>-9<sup>th</sup>). Ask for Diane Neill at conference registrations for all the details and the current cost. Or, you may also register on-line at the Association's web site: "[www: fraudconference.com](http://www.fraudconference.com)".

**August 28, 2002:** Chapter Fraud Training Seminar; Downtown Seattle. Topic and speaker to be determined.

**October 30, 2002:** Chapter Fraud Training Seminar; Downtown Seattle. Topic and speaker to be determined.

**December 6, 2002:** Joint Chapter and WSCPA Sixth Annual Fraud Conference, Marriott Hotel, SeaTac. **Register directly with the WSCPA by calling 1-800-272-8273 (Bellevue, WA).** The cost of the conference should be \$175, and includes continuing professional education for six hours of Technical and two hours of Accounting and Auditing. The course registration form can also be obtained from the WSCPA's web site at "[www: wscpa.org](http://www.wscpa.org)". However, you must call the WSCPA to actually register for the conference. Ask for Lisa Chin-Iwata in the Education Department.

Many organizations require the **Federal Tax Identification Number** of the Pacific Northwest Chapter/ACFE in order to pay for their employees to attend our fraud training events. The number is: **91-1592735**.

### **Important Chapter Fraud Training Meeting Information for SouthCenter Mall Location**

**The Chapter annual luncheon business meeting and fraud seminar is held at this location.**

We meet at the Mayflower of China Restaurant. While this facility is technically located in Tukwila, please note this is a **new location** for our annual luncheon and business meeting. The restaurant is located at 17005 SouthCenter Parkway and can be reached by telephone at (206) 575-4193. **Directions:** When driving North on I-5, take exit number 153 indicating the SouthCenter Mall and SouthCenter Parkway and just before reaching the I-405 interchange. Take an immediate right at the traffic light and you'll be on SouthCenter Parkway. The restaurant is about 4-5 blocks from there on your right (I-5 side of the road). For reference purposes, SouthCenter Parkway parallels I-5, and you'll be driving South and away from the Mall when heading toward the restaurant. There is plenty of parking at the restaurant.

### **Important Chapter Fraud Training Meeting Information for Downtown Seattle Location**

**All fraud seminars conducted by the Chapter in downtown Seattle are held at this location.**

We meet at 1000 Second Avenue in a 28th floor conference room of the Washington State Housing Finance Commission. This is the old Key Towers Bank Building; but, the building currently has no name on it. The building is located across the street and one block North of the Jackson Federal Building (corner of Second Avenue and Spring Street).

Please pay particular attention to the following rules for visiting our fraud seminar training location in downtown Seattle. Our host, the State of Washington Housing Finance Commission, controls the conference room where our meetings are held and has asked for our cooperation in implementing these security and access rules. The Chapter Board of Officers appreciates your cooperation with these requirements.

- First, building security. The staff has asked us to go to the Commission's main offices on the 27<sup>th</sup> Floor and sign-in with the receptionist before going to the 28<sup>th</sup> Floor conference room for the fraud seminar. A visitor's badge will be issued to you. Please turn-in this visitor's badge in the conference room before departing the building. The Chapter will turn-in all visitor badges at the end of the day.
- Second, the time of our fraud seminar. The staff has asked us to depart the facility promptly because their duty day ends at 5:00 p.m. Therefore, **we will begin all meetings promptly at 2:30 p.m.**, hold a 30 minute networking session at 3:30 p.m., and complete all fraud seminars at 4:45 p.m. sharp. Visitor badges will be collected at this time.

## **Fraud Research Expert Named New President and CEO of Association of CFE's**

Austin, Texas. Toby J.F. Bishop, CFE, CPA, FCA, has been named President and Chief Executive Officer of the Association of Certified Fraud Examiners (ACFE), the world's largest anti-fraud organization. In making the announcement, ACFE founder and Chairman Joseph T. Wells said, "I have known Toby for over ten years. He is without question one of the foremost experts on fraud prevention and detection, and the ACFE is privileged that he has accepted the challenge of taking our organization to its next level."

Bishop was formerly the partner in charge of Fraud Research & Development for Andersen, where he had been studying a new auditing approach for fraud designed to greatly exceed current and proposed auditing standards. "It is unfortunate that Toby's innovative approach was developed too late to prevent the Enron disaster," said Wells, "but Andersen's collapse has enabled us to hire an outstanding individual. Toby Bishop has dedicated his career to fighting fraud. And now, as President & CEO of the Association of Certified Fraud Examiners, he is in a position to make a real difference in the war against economic crime."

Bishop is a contributing author and a member of the Board of Editors of Business Crimes Bulletin. His material has appeared in CFO magazine, The American Banker, Director's Alert, Bottom Line/Business, Computerworld, Corporate Crime Reporter, White-Collar Crime Fighter, Accounting Today, The Auditor's Report, Journal of Accountancy, The CPA Journal, INSIGHT, and Internal Auditing.

A graduate of Oxford University in England, Bishop is a Certified Fraud Examiner, a Certified Public Accountant, and a Fellow of the Institute of Chartered Accountants in England and Wales. Bishop is a past president of the Association of Chartered Accountants in the United States, and has served as an officer of several not-for-profit organizations.

Fraud education is a personal mission for Mr. Bishop and one he shares with Chairman Wells and the ACFE. Bishop has conducted fraud examination seminars for over 200 professors to help enhance anti-fraud education for students. He is an active supporter of the Association's Higher Education Program to establish fraud prevention/detection training in every major university in the U.S.

"Ours is a global vision," said Bishop. "26,000 members in more than 100 countries play a vital role in fighting fraud, which costs businesses hundreds of billions of dollars every year. Organizations need more Certified Fraud Examiners to better protect them from fraud, and the Association will continue to ensure that CFEs are the best-trained fraud specialists in the world."

Bishop replaces Dr. Gil Geis, Professor Emeritus from the University of California, Irvine, who has served as ACFE president since 1992. In announcing his retirement, Dr. Geis said, "It has been a true honor for me to serve as the Association's president for the last decade. Mr. Bishop is a credit to the anti-fraud profession, and I am confident that he will be an outstanding leader." Geis plans to stay involved with the ACFE in an advisory capacity.

Upon stepping down as CEO, Chairman Wells announced that he will remain active with the ACFE, but will concentrate his efforts on long-range planning, research, and education. Wells said, "I have been chairman and CEO for the last fourteen years. I can think of no one I would rather relinquish this responsibility to than Toby Bishop. His vision and expertise ensure that the ACFE will continue to lead the world in the charge against fraud and white-collar crime."

The Association of Certified Fraud Examiners is a global, 26,000-member professional organization dedicated to fighting fraud and white-collar crime. Since 1988, the Association has been a major resource for fraud information and training. The Certified Fraud Examiner program is an internationally recognized accrediting process for individuals who possess the specialized skills required to detect, investigate, and deter fraud. Identified as "the premier financial sleuthing organization" by *The Wall Street Journal*, the Association has been cited for its efforts against white-collar crime by media such as *U.S. News & World Report*, *The New York Times*, *Fortune*, ABC-TV's *Nightline* and *20/20*, and CBS News' *60 Minutes*.

### **Association Board of Regents suspends the Effective Date of Proposed Chapter By-Law Changes**

On May 3, 2002, Joseph R. Dervaes, CFE, CIA, Chairman of the Board of Regents issued the following letter to all Chapter Officers and Members:

As you are aware, the Board of Regents, in its February meeting, approved substantial changes to the local chapter bylaws. Those changes are:

1. All new and renewing local chapter members must be members of ACFE.
2. The presidents, vice presidents, and chapter training directors of all chapters must be CFEs.
3. Officers and directors may seek election for other positions after their initial term ends.
4. Chapters may provide training up to 20 CPE hours per year.

There has been some confusion over the intent and purpose of these changes, and several chapters have expressed reservations over adopting the new bylaws. For example:

Some chapters claim that requiring non-ACFE members to join the ACFE would be prohibitively expensive and would discourage interest in the ACFE at the local level. Please note that the first proposed amendment does not concern forcing non-ACFE members to join our Association; rather, it is an issue over what these individuals are called.

Mr. Gary Chapman, CFE, a director of the Tampa Bay Chapter, requested that the implementation of these bylaws changes be delayed pending further discussion at the meeting of local chapter officials at the 13<sup>th</sup> Annual Fraud Conference in Hollywood this summer.

The Board of Regents approved his request and has voted to suspend the effective date of the amendments pending further discussion at the Annual Conference.

We are also authorizing an official comment period so that any interested chapter members can provide us with their feedback concerning the new amendments.

If chapters wish to comment on the changes, please send correspondence to me at [dervaesj@sao.wa.gov](mailto:dervaesj@sao.wa.gov) by June 15, 2002, so that I will have time to consolidate your comments and forward them to the other Regents for review before the meeting in August.

We voted for adoption of the new bylaws because we believe them to be in the best interests all members, whether they belong to a local chapter or not. But, since the amendments will result in significant changes in how local chapters operate, we encourage you to provide us with your feedback concerning these matters.

I also want you to know that we are listening to what you have to say. This is your opportunity to be heard on the important issues affecting our future, and I hope to hear from you.

### **Report on the Two-Day Fraud Conference with the Association of CFE's**

There were 36 participants who completed the Association of CFE's two-day fraud class jointly sponsored by the Pacific Northwest Chapter/ACFE. The conference was held at the DoubleTree Inn in SeaTac across the street from SeaTac International Airport. Day one of the class was entitled "Conducting Internal Investigations (Developing the Case)". Day two of the class was entitled "Conducting Internal Investigations (Completing the Investigation)". The instructor was James R. Baker, CFE, President of Baker Technologies, Incorporated, from Dallas, Texas.

The Chapter Board of Officers was responsible for planning this event and conducting all logistics for the seminar, including participant registration. Board members participating in the seminar this year were: Linda Saunders, President; Norm Gierlasinski, Vice-President; Joe Dervaes, Secretary-Treasurer; and Bernadette McBride, Director at Large.

Please give each of your Board of Officers a pat on the back for a job well done, as usual. This is one of our two "flag-ship" fraud conferences each year. And, a lot of time, effort, and planning goes into making it the success it is.

The conference was moved from the Fall to the Spring this year in an effort to determine if there would be a change in the participation level. However, participation remained unchanged, with approximately 35 people attending this conference each year.

### **The Association of CFE's 13<sup>th</sup> Annual Fraud Conference and Trade Show**

The 13<sup>th</sup> Annual Fraud Conference and Trade Show will be held in Los Angeles, CA, August 4-9, 2002. It is destined to be the largest gathering of anti-fraud professionals in the world! The Association of CFE's will once again bring together the greatest minds in the field to help you fine-tune your skills and learn about new developments in your profession. Take advantage of

this opportunity to join with 2,000 professionals with diverse backgrounds from all over the world.

The 13<sup>th</sup> Annual Fraud Conference and Trade Show is actually three conferences in one. You can attend any or all segments. By attending all segments, you can earn up to 44 fraud-related continuing professional education (CPE) credit hours.

The Pre-Conference is on August 4, 2002, and offers 8 hours of CPE. It's entitled "The New Face of Identity Fraud".

The Main Conference is from August 5-7, 2002, and offers 20 hours of CPE. This conference has varied tracks of material including: Current Issues, Cyberfraud, Embezzlement, Fraud by Customers, Money Laundering, Fraud and the Law, Fraud by Vendors, Investment Frauds, Bribery and Corruption, and Practice Development.

The Post-Conference is from Audits 8-9, 2002, and offers 16 hours of CPE. This conference has two tracks: "Auditors Basic Conference", and "Investigators Basic Conference".

The conference is being held at the Renaissance Hollywood Hotel, 1755 Highland Avenue, Hollywood, CA 90028, 1-800-HOTELS-1 or (323) 856-1200, [www.renaissancehollywood.com](http://www.renaissancehollywood.com).

Norm Gierlasinski, Chapter Vice-President will be the Pacific Northwest Chapter/ACFE representative at the August 4, 2002, Chapter Representatives Meeting held in conjunction with the 13<sup>th</sup> Annual Fraud Conference. He will bring back a report to the Chapter after attending this important meeting.

It's still not too late to register for this outstanding fraud forum. Contact the Association of CFE's at [www.cfenet.com](http://www.cfenet.com) to register for the 13<sup>th</sup> Annual Fraud Conference.

### **Annual Association and Chapter Scholarship Program**

Despite hard work by the Scholarship Committee, headed by Chapter Vice-President Norm Gierlasinski, the Chapter received no applications for either the Association of CFE's Scholarship Program or the Pacific Northwest Chapter/ACFE's Scholarship Program. Letters were issued to all institutions of higher learning in our geographical area announcing these scholarship programs in plenty of time for applicants to announce their candidacy for these important programs. There have always been outstanding and deserving scholarship candidates in the past. And, our candidates have won Association scholarships more times than not. So, we still have an outstanding Chapter record in the Scholarship department. The Chapter Board of Officers will try to work harder on the Scholarship Program next year.

### **Third Annual National Fraud Awareness Week**

**National Fraud Awareness Week is August 4-10, 2002.** This is a time set aside to educate both businesses and consumers about the threat of fraud and to raise awareness about the impact of fraud and white-collar crime. The Association of CFE's, with the support of leading public

and private sector organizations, will spearhead efforts to educate others on how to detect and deter fraud. As in the past, NFAW will again coincide with the Association's Annual fraud Conference and Trade Show in Hollywood, CA.

The Pacific Northwest Chapter/ACFE has registered as an official supporter of National Fraud Awareness Week and supports this initiative in our geographic area of responsibility. We are listed on the national web site ([www.fraudweek.com](http://www.fraudweek.com)) and receive mention in print materials including the NFAW "Official Supporter" list sent to press contacts nationwide. The Chapter will also receive an Official Supporter kit that will make it each for us to actively participate. The web-site includes an interactive Fraud IQ Test, informational sections dealing with both business and consumer-related fraud, and a complete listing of NFAW related accomplishments.

### **Nominations Now Being Accepted for Association of Certified Fraud Examiner Awards**

**This is the first year for this new Association awards program.**

In order to recognize and pay tribute to those members who have displayed exceptional effort in their pursuits of detecting, preventing, and investigating fraud while adhering to a strict code of professional conduct and ethics, the Board of Regents of the Association of CFE's has approved and endorsed the bestowing of several new Outstanding Achievement Awards. These awards include CFE of the Year; Associate Member of the Year; Outstanding International Member; as well as Chapter of the Year and Newsletter of the Year. Outstanding achievement will also be recognized in the following areas: Outreach/Community Service; Accounting; Anti-Fraud Education; Commerce; Government; and Law Enforcement.

Although these awards are presented to diverse categories, the recipients all share the common criteria of: (1) being an Association member in good standing; (2) having contributed significantly to the detection, deterrence, or investigation of fraud; and, (3) having exhibited the highest level of integrity in the performance of all professional assignments and the willingness to accept only assignments for which there was reasonable expectation that the assignment would be completed with professional competence. Requirements further include increasingly important fraud-related experience that indicates outstanding competency and achievement. The main criteria for selection are based on the significance of the lifetime achievements cited on behalf of the nominee and on the sustained contributions of the nominee to the field of fraud. Detailed explanations of the various awards are listed below. You may download the nomination form at: "[www.cfenet.com/pdfs/OutstandingAANom.pdf](http://www.cfenet.com/pdfs/OutstandingAANom.pdf)"

Details regarding each award category follow.

### **CERTIFIED FRAUD EXAMINER OF THE YEAR**

The Certified Fraud Examiner of the Year Award is presented to a Certified Fraud Examiner who has demonstrated during the year outstanding achievement in the field of fraud examination. The member must be 1) a member in good standing; 2) played a significant role in the detection, investigation, or prevention of a fraud within the public or private sector; 3) made a substantial

recovery or savings due his or her role in a fraud examination; and/or 4) contributed significantly to the discipline of fraud examination.

### **ASSOCIATE MEMBER OF THE YEAR**

The Associate Member of the Year Award is presented to an Associate Member who has demonstrated outstanding proficiency in the prevention, detection, or deterrence of fraud in a public or private sector. This nominee must 1) be a member in good standing; 2) have made played a significant role in the recovery or saving of resources in a fraud examination; and/or 3) have made a notable contribution to the discipline of fraud.

### **OUTSTANDING INTERNATIONAL MEMBER**

The award for the outstanding international member is given to the Certified Fraud Examiner or Associate Member who has contributed significantly to the discipline of fraud examination. The nominee must 1) be a member in good standing and reside out-side of the U.S.; 2) have played a significant role in the detection, investigation, or prevention of fraud; and/or 3) have promoted fraud examination through business or educational means.

### **CHAPTER OF THE YEAR**

The Chapter of the Year Award is awarded only to a Chapter that is active and is in good financial standing with the Association and provides 1) timely and quality training to its members; 2) a scholarship program to assist deserving individuals in institution of higher education; 3) a mechanism to assist those Associate Members of the Chapter to obtain the CFE designation; 4) a commitment to serve its community through outreach programs or other means; 5) active promotion of the Local Chapter as well as member interaction; 6) a current Chapter Member Directory; 7) contributions to the Common Body of Knowledge (CBOK) as contained in the Fraud Examiners Manual; and 8) a basic fraud examination education to its members and others in the community.

### **NEWSLETTER OF THE YEAR**

The Newsletter of the Year Award is awarded to the Chapter Newsletter that is delivered to recipients on a regular and timely basis. The Newsletter of the Year must contain pertinent chapter officer contact information and a schedule of upcoming chapter training events. The Newsletter of the Year must also provide information received from Association Headquarters and other relevant and timely anti-fraud information, articles of interest, or other information that would benefit the membership or others.

### **OUTSTANDING ACHIEVEMENT IN OUTREACH/COMMUNITY SERVICE**

The Association of Certified Fraud Examiners believes strongly that members should be active members of their community and committed to helping improve the quality of life where they live and work. We fulfill this commitment through charitable giving, volunteerism and community partnerships. The Outstanding Member in Outreach/Community Service Award is

presented to an Association member who has made an outstanding contribution in his or her community. The recipient must demonstrate that he or she has been an active volunteer in community projects that have resulted in a recognized improvement of a community. This can be demonstrated by the commitment of time or donations to a charitable cause.

### **OUTSTANDING ACHIEVEMENT IN ACCOUNTING**

The Outstanding Member in Accounting Award is presented to an Association member who has made an outstanding contribution in the field of accounting. The recipient of this award must demonstrate that he or she has 1) participated in a significant fraud investigation; 2) developed and implemented a system of internal controls intended to prevent or deter fraud; or 3) been instrumental in a large monetary recovery from the successful prosecution of a fraud or white-collar crime case.

### **OUTSTANDING ACHIEVEMENT IN ANTI-FRAUD EDUCATION**

The Outstanding Member in Anti-Fraud Education Award is presented to a qualified Association member who has made an outstanding contribution in promoting education related to fraud prevention, detection, and investigation. Factors that will be considered in selecting the recipient are 1) anti-fraud curriculum development efforts; 2) design and/or production of anti-fraud education materials; 3) number of students or participants taught in anti-fraud education efforts; 4) pedagogies developed to teach anti-fraud methodologies; and 5) influence in encouraging anti-fraud education. In considering these factors, degree or influence and impact on others, quality of work and transfer-ability to other institutions and settings will be elements weighted most heavily in selecting award winners.

### **OUTSTANDING ACHIEVEMENT IN COMMERCE**

The Outstanding Achievement in Commerce Award is awarded to a qualified Association member who has made an outstanding contribution in commerce. The recipient must 1) have been in charge of or participated in a significant investigation that resulted in a white collar crime conviction in business or commerce; or 2) developed and/or implemented a system of internal controls intended to prevent or deter fraud in business or commerce; or 3) was instrumental in having new or revised fraud and/or white-collar crime procedures implemented in any area of business or commerce; or 4) was instrumental in a large monetary recovery from the successful litigation of fraud or white-collar crime.

### **OUTSTANDING ACHIEVEMENT IN GOVERNMENT**

The Outstanding Achievement in Government Award is presented to a qualified Association member who is an employee of a local, state, or federal government entity and 1) was in charge of or participated in a significant investigation of a local, state, or federal government agency that resulted in a white-collar crime conviction; or 2) developed and had implemented a system of internal controls intended to prevent or deter fraud within local, state, or federal government; or 3) was instrumental in a large monetary recovery from the successful prosecution of a fraud or

white-collar crime case involving a government entity; or 4) was instrumental in having new or revised fraud and/or white-collar crime legislation enacted at any level of government.

### **OUTSTANDING ACHIEVEMENT IN LAW ENFORCEMENT**

The Outstanding Achievement in Law Enforcement Award is presented to a qualified Association member who is an employee of a local, state, or federal government entity with Law Enforcement Responsibilities and has contributed significantly to the detection, deterrence, or the investigation and prosecution of fraud or white-collar crime case(s) by 1) having been in charge of or having participated in a significant investigation that resulted in a white collar crime conviction; or 2) having developed and having had implemented a system of internal controls intended to prevent or deter fraud; or 3) was instrumental in a large monetary recovery from the successful prosecution of a fraud or white-collar crime case.

The nomination period originally closed on May 17, 2002, but has now been extended until June 28, 2002. This extension was granted so that there would be a sufficient amount of time for these important nominations to be prepared. For further information about the Awards program, please contact Helen Clem at (800) 245-3321/(512) 478-9070 or email [hcllem@cfenet.com](mailto:hcllem@cfenet.com).

Do you have a nomination for a fellow CFE?

### **Local Chapter Web-Sites Are Now On-Line at [www.cfenet.com](http://www.cfenet.com)**

The Association of CFE's has provided a web site for each Chapter on their web-site effective April 4, 2002. Some of the benefits of the newly redesigned local chapter web sites are that it provides a consistent look, improved navigation, and easy maintenance. Check it out at [www.cfenet.com/chapters/](http://www.cfenet.com/chapters/).

Realizing that maintaining a Chapter web site is a time-consuming process for most local Chapters. By using a local Chapter template on the Association's main site, the Association has given designated local Chapter "editors" the ability to update information on their site quickly and easily.

Currently, each local Chapter web site contains officer and contact information, an events section, and a newsletter section. Editors will be able to login from the local Chapter page and make changes to their events and newsletter pages.

For the present, the Pacific Northwest Chapter/ACFE will continue using our own web site at [www.fraud-examiners.org](http://www.fraud-examiners.org) as our main Chapter outreach forum. Kent Hansen is our Chapter Webmaster. Please thank him for the countless hours of time he has spent developing and implementing our Chapter web site.

Our Chapter officers will be listed on the Association's website at the present time. However, the Chapter does not intend to maintain two web sites with identical data.

### **Higher Education Program Offer Extended to End of 2002**

The Higher Education Program has received more than 150 responses to Joe Wells' offer of free educational materials to colleges that agree to offer a three-credit "Fraud Examination" course.

The positive response to and support of our Higher Education program has been so overwhelming that the offer has been extended through the end of the year. If you would like to take part in this exciting initiative, please contact Special Projects Coordinator Helen Clem at [hclem@cfenet.com](mailto:hclem@cfenet.com) or at 1-800-245-3321.

### **IIA Fraud Conference**

The San Francisco, San Jose, and East Bay Chapters of the Institute of Internal Auditors announce that they are holding an Audit Conference in San Francisco, CA, August 8-9, 2002. These dates conflict with the Association of CFE's Annual Fraud Conference in Los Angeles, August 5-9, 2002. For further information about this training opportunity and cost, please contact Marty Krone, President of the San Jose IIA Chapter at [www.sjiia.org](http://www.sjiia.org) or [Magac99@aol.com](mailto:Magac99@aol.com).

PACIFIC NORTHWEST CHAPTER  
ASSOCIATION OF CERTIFIED FRAUD EXAMINERS  
TERM: JULY 1, 2002 THROUGH JUNE 30, 2003  
**2002 ANNUAL BALLOT**

Nominating Committee Report.

According to the Chapter By-Laws, the Nominating Committee consists of three chapter members appointed by the President and headed by the Vice-President. The following chapter members served on this committee this year: Norm Gierlasinski, PhD, CFE, CPA, CIA (Vice-President); Morgan D. Jacobson, CFE, CISA (Member); and, Robert A. Goehring, CFE, CPA (Member).

The Nominating Committee has presented a list of all chapter members desiring to run for office below. Chapter members may also write-in the name of any other chapter member, with their concurrence, for any office listed.

Please vote for only one individual for each office of the Chapter Board of Directors. After voting, please complete the information below, **sign the form**, and either:

(a) **Mail** this ballot to the chapter at P. O. 215, Auburn, WA 98071-0215, in time for it to be received **before June 25, 2002**; or,

(b) **Bring** this ballot to the annual chapter luncheon business meeting **on June 26, 2002**. The meeting will be at the Best Western SouthCenter Hotel at Noon on that date.

Unsigned ballots **will not** be counted by the Election Committee. Results of this election will be announced at the annual luncheon business meeting.

SPECIAL NOTE: The chapter plans to have a guest speaker at the annual luncheon business meeting. Thus, there will be one hour of "free" continuing professional education training credit available for all those in attendance. There is no cost for the meal if you are a Chapter member. Details on the speaker and topic will also be announced in the May/June 2002 Chapter newsletter.

NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

PRESIDENT

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LINDA L. SAUNDERS, CFE, CPA. Linda owns and operates a private firm, Forensic Accounting Consulting, in Bainbridge Island.

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VICE-PRESIDENT

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DR. NORMAN J. GIERLASINSKI, PhD, CFE, CPA, CIA. Norm is a faculty member of Central Washington University-SeaTac Center in Tukwila, and owns and operates a private consulting firm, Gierlasinski and Associates.

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SECRETARY/TREASURER

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JOSEPH R. DERVAES, CFE, CIA. Joe is the founding President of the Pacific Northwest Chapter. He is a Life Member, Fellow, adjunct faculty member, and Chairman of the Board of Regents for the Association of CFE's. He is the Audit Manager for Special Investigations for the Washington State Auditor's Office in Port Orchard.

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DIRECTOR-AT-LARGE

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ROGER B. GULLIVER, CFE, CPA, CISA, CBA. Roger owns and operates a private firm, Roger B. Gulliver, CPA in Auburn

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DIRECTOR-AT-LARGE

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BERNADETTE MC BRIDE, CFE, CPA. Bernadette is an Investigator for the Medicaid Fraud Control Unit of the Attorney General's Office, and hails from Poulsbo.

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**ANNUAL CHAPTER LUNCHEON AND BUSINESS MEETING**

Wednesday, June 26, 2002 -- Noon - 2:00 p.m.

The annual Chapter luncheon business meeting will be held at the Mayflower of China Restaurant, 17005 SouthCenter Parkway (near SouthCenter Mall), Tukwila, WA. The restaurant can be reached by telephone at (206) 575-4193. Directions to the restaurant follow. When driving North on I-5, take exit number 153 indicating the SouthCenter Mall and SouthCenter Parkway and just before reaching the I-405 interchange. Take an immediate right at the traffic light. The restaurant is about 4-5 blocks from there on your right (I-5 side of the road). For reference purposes, SouthCenter Parkway parallels I-5, and you'll be driving South and away from the Mall when heading toward the restaurant. There is plenty of parking at the restaurant.

Members will be able to order from the regular menu at the Mayflower of China Restaurant. There is no cost for the meal or fraud training for Chapter members and associates. The cost of the meal and fraud training is \$15.00 for non-members.

**Even though the cost of the meal is free for Chapter members and associates, we still need your registration forms so that we can get an accurate head count on all attendees. Thanks for your assistance in this important matter.**

Last minute registration will be held just prior to the luncheon that starts at Noon. A brief Chapter business meeting follows. Our fraud seminar will then begin at 1:00 p.m. Networking with Chapter members follows the seminar.

Thanks for your early registration to attend this meeting. Make your checks payable to the Chapter, and mail this registration form to the following address:

Pacific Northwest Chapter of ACFE  
P. O. Box 215  
Auburn, WA 98071-0215

Speaker: Mark D. Ferbrache, Supervisory Special Agent, FBI

**SEMINAR REGISTRATION FORM**

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

EMPLOYER: \_\_\_\_\_ FAX: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

## **Seminar Description**

“The Federal Bureau of Investigation – Changing Missions”

Supervisory Special Agent Mark D. Ferbrache presents a basic overview of the Federal Bureau of Investigation (FBI) and how the agency deals with white-collar crime in the Pacific Northwest. The speaker brings a wealth of experience on money laundering and other white-collar crimes to the seminar. Come prepared to ask all those nagging questions you might have in these areas of operation.

In the new world after September 11, 2001, the FBI must balance its workload to adequately address terrorism, fraud, and other important agency missions. This is the challenge facing the agency for the foreseeable future. The speaker informs the participants about what the FBI does, and how it does it. The presentation has an emphasis on the recently announced and upcoming changes and challenges facing this critical national investigative agency. Be on the cutting edge of change by attending this informative seminar.

## **Biography**

Mark D. Ferbache, Supervisory Special Agent  
Federal Bureau of Investigation  
White-Collar Crime Squad  
Seattle, Washington

Mr. Ferbrache is a Seattle native raised in the Richmond Highland area of Shoreline. He is a graduate of the University of Washington and Seattle University with degrees in Political Science and Business Administration.

Mr. Ferbrache entered on duty with the FBI on July 10, 1983, in Seattle, Washington. During his initial assignment in Seattle, he worked public corruption matters, various economic crimes, bank robberies, product tampering, and other violent crimes. In February 1987, he was transferred to the New York Office of the FBI where he worked white-collar crime investigations including video piracy, bank frauds, advance fee schemes, money laundering, stolen, forged or counterfeit negotiable instruments, securities frauds, and stock manipulation schemes.

In July 1992, he returned to Seattle and continued to work large and complex frauds. He was also designated the Principal Relief Supervisor for the Seattle's white-collar crime squad. In August 1996, Mr. Ferbrache was promoted to Supervisor in the International Relations Branch at FBI Headquarters in Washington, D.C. This branch manages the FBI's Legal Attache program where agents are assigned to foreign posts throughout the world.

In September 1997, Mr. Ferbrache was designated Assistant Legal Attache (ALAT) assigned to the FBI's London office. In this liaison role, Mr. Ferbrache processed FBI fraud and money laundering cases with the law enforcement authorities in the United Kingdom, Ireland, the Channel Island, and the Isle of Man. In return, Legal Attaches tasked FBI field offices to conduct investigations on behalf of the British police agencies and security services.

Mr. Ferbrache also coordinated the use of sophisticated investigative techniques which included the deployment of FBI personnel in a covert capacity. In February 2001, the FBI's Law Enforcement Bulletin published Mr. Ferbrache's article titled "Offshore Financial Centers: The Channel Islands and the Isle of Man". These territories are known as offshore financial centers, localities which provide financial services for a substantial number of non-residents. Mr. Ferbrache also coordinated investigations into the transmission of child pornography via the Internet.

In July 2001, Mr. Ferbrache returned to Seattle once again, and currently heads the White Collar Crime Squad. Investigative priorities include counterfeit checks and other forms of check fraud, mortgage loan fraud, money laundering, investment frauds, and advance fee schemes.