

CFE UPDATE  
May-June 2004

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

**Be sure to mark the following calendar year 2004 fraud training meetings on your personal schedule and plan to attend:**

**June 30, 2004 (Wednesday).** Annual Chapter Business Meeting and Fraud Training Seminar; Mayflower of China Restaurant; 17005 SouthCenter Parkway (near SouthCenter Mall); Tukwila, WA. Special door prizes will be awarded; but, you must be present to win. The luncheon and continuing professional education for the fraud seminar is "free" to Chapter members and \$15 for non-members. The luncheon begins promptly at Noon, followed by a brief Chapter annual business meeting. The fraud training seminar begins at approximately 1:00 p.m. and lasts for one hour. Door prizes will be awarded. A drawing will be held for a free fraud training seminar chosen by the Board of Directors from among the members who responded to the recent training survey.

The speaker will be Arif Ghouse, Manager of Airport Security, Seattle-Tacoma International Airport. The topic will be “Aviation Security – So Who Does What?”

**July 11-16, 2004 (Sunday-Friday).** Association of CFE’s 15<sup>th</sup> Annual Fraud Conference; MGM Grand Hotel; Las Vegas, Nevada. Register for this conference at [www.cfenet.com](http://www.cfenet.com). The meeting times are from 1:00-5:00 p.m. on July 11, 2004, for the Pre-Conference; 8:30 a.m. – 12:30 p.m. on July 14, 2004, and from 8:30 a.m. – 4:30 p.m. on all other days during the Main-Conference and Post-Conference period. Because of the location, there will probably be a record number of attendees at the conference this year. Don’t miss it! The discounted registration fee for Association members is \$795 for the Main-Conference. The regular registration fee for non-members is \$895 for the Main-Conference.

Vice-President Norm Gierlasinski will be the Pacific Northwest Chapter’s official representative at the Chapter Representatives Meeting on July 11, 2004, held in conjunction with the Annual Fraud Conference. He will provide a report to the Chapter on the events of this meeting.

President Joe Dervaes will be a break-out speaker at the Conference on the topic of “Stealing From the Court – A Case Study”. He will discuss the City of Poulsbo Municipal Court case involving an accounts receivable loss of \$290,237 over a 6.5-year period. He will also attend the Chapter Representatives Meeting on July 11, 2004.

**August 25, 2004 (Wednesday).** Chapter Fraud Training Seminar; Downtown Seattle, 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). We begin all meetings promptly at 2:30 p.m., hold a 30 minute networking session at 3:30 p.m., and then complete the seminars at 4:45 p.m. The seminar fee is \$20 for Chapter members and \$25 for non-members.

The speaker will be Aaron Sparks from KPMG Forensic. Aaron is an Associate Member of the Association of CFEs. The topic will be: “Data Forensics”. The presentation will discuss how to use data analysis techniques to detect fraudulent transactions. Case studies will also be presented.

**October 13-15, 2004 (Wednesday-Friday).** Joint Chapter and Association of CFE’s Three-Day Fraud Training Class at the Doubletree Hotel, 18740 International Boulevard; SeaTac.

- October 13, 2004, will be a one-day class on “Fraud Prevention”.
- October 14-15, 2004, will be a two-day class on “Contract and Procurement Fraud”.

The Members have spoken! You asked the Chapter Board of Officers to work with the Association of CFE’s to bring new topics and material to us for our training forums. Well, we have, and this is it. So, now is your chance to respond by attending something other than the “basic” fraud course. The “Contract and Procurement Fraud” class is definitely above this level. Chapter President Joe Dervaes has taught this class before and attests to this fact.

In addition, the Association will be offering “gift packages” to the Chapter that will be based upon the number of Chapter Members who attend these classes. The level of benefits in the “gift package” increased with an increase in the number of Chapter Members who attend. So, come out and support your Chapter to help us achieve the best possible results from this annual event!

There is a daily parking fee if you drive your car and park in the hotel parking lot. Car pooling is recommended to reduce the nominal cost of parking. The estimated early registration fee for Association members is \$535 for the two-day class. The estimated cost of the one-day class is about 50% of that fee. There is also a \$6 daily parking fee if you drive your car and park in the hotel parking lot. Car pooling is recommended to reduce the nominal cost of parking. Registration is at 7:30 a.m. each day. The actual class begins at 8:00 a.m. and ends at 4:30 p.m. daily. **Register directly with the Association of CFE’s by calling 1-800-245-3321 (Austin, TX).** The conference includes 24 hours of continuing education credit. Ask for conference registrations for all the details. Or, you may also register on-line at the Association’s web site [www.cfenet.com](http://www.cfenet.com). Your Board of Officers has worked long and hard with the Association to bring you new fraud topics for this annual fraud training class. So, you’ll enjoy this three-day event immensely. Don’t miss it. Come network with your fellow professionals at this fraud training class. Members of the Chapter Board of Officers will perform registration duties for this fraud training class and will be on-hand to answer any questions participants might have about membership in and activities of the Chapter. Class speakers will be provided by the Association of CFE’s.

**December 3, 2004 (Friday).** Joint Chapter and WSCPA 8<sup>th</sup> Annual Fraud Conference; Marriott Hotel; 3201 South 176<sup>th</sup> Street, SeaTac (across the street and up the hill a short distance from SeaTac International Airport). The estimated early registration fee for members of the WSCPA and the Pacific Northwest Chapter is \$175 for this conference. There is also a \$6 daily parking fee if you drive your car and park in the hotel parking lot. Car pooling is recommended to reduce the nominal cost of parking. Registration and continental breakfast is at 8:00 a.m. The conference begins at 8:30 a.m. and ends at 5:00 p.m. **Register directly with the WSCPA by calling 1-800-272-8273 (Bellevue, WA).** The conference includes eight hours of continuing professional education credit. The course registration form can also be obtained from the WSCPA’s web site at “www:wscpa.org”. You must call the WSCPA to actually register for the conference. Ask for Lisa Chin-Iwata in the Education Department.

President Joe Dervaes and Vice-President Norm Gierlasinski and will co-chair the 8<sup>th</sup> Annual Fraud Conference. The Chapter Board of Officers is working on the tentative list of speakers and topics for the annual fraud conference.

**Be sure to mark the following calendar year 2005 fraud training meetings on your personal schedule and plan to attend:**

**February 25, 2005 (Wednesday).** Fraud seminar at our downtown Seattle training facility.

**March 2005 (date and hotel not yet confirmed).** Association’s two-day fraud class on “Professional Interviewing Skills”.

**April 27, 2005 (Wednesday)**. Fraud seminar at our downtown Seattle training facility.

**June 29, 2005 (Wednesday)**. Annual luncheon business meeting at the Mayflower of China Restaurant in Tukwila.

**July/August 2005 (date, city, and hotel not yet confirmed)**. Association's 16<sup>th</sup> Annual Fraud Conference.

**October 26, 2005 (Wednesday)**. Fraud seminar at our downtown Seattle training facility.

**December 2, 2005 (Friday)**. Chapter/WSCPA's 8<sup>th</sup> Annual Fraud Conference at the SeaTac Marriott Hotel.

### **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.

**If you're looking for parking, Special Events parking rates (\$5) apply for the parking garage at Benaroya Hall, just two blocks north of the training facility on Second Avenue.**

### **Revisions to our Chapter By-Laws**

Last year, the Association's Board of Regents approved the revised Chapter By-Laws and requested that all Chapters adopt it. This action culminated a lengthy discussion period which included input from all Chapters. The Chapter Board of Officers has reviewed the revised Chapter By-Laws, made appropriate revisions to meet our Chapter needs, and obtained approval from the Association for all such modifications. It's now time for the Chapter membership to vote on approval of the revised Chapter By-Laws at our annual luncheon business meeting to be held on June 30, 2004 at the Mayflower of China Restaurant in Tukwila.

The following changes have no effect on our current Chapter operations: (a) The Chapter Training Director must be a CFE and may also be a member of the Board of Officers (dual position). (b) The Chapter must coordinate all training with the Association to ensure that it does not compete with Association training. (c) The Chapter fiscal year can be any time period. (d) The Chapter elected to combine the Secretary/Treasurer position which makes the Board of Officers a five member group (always an odd number). (e) The Board must meet at least twice a year. (f) Only the President must be a CFE. All other officers may be either a CFE or Associate. If the Vice-President is not a CFE, s/he may not assume the position of President if it becomes vacant during the term of the incumbent. Under these circumstances, the Board may either appoint a CFE to complete the unexpired term or hold a special election to elect a new President who is a CFE. And, (g) An election quorum of Chapter members constitutes 10 percent of the Chapter members eligible to vote.

The following changes do have an effect on our current Chapter operations: (a) The Association deleted the category of "Affiliate" membership. The Chapters added the category of "Affiliates of the Chapter". These affiliates are not required to be a member of the Association (i.e.; CFE or Associate), and cannot call themselves members of the Chapter or members of the Association. They also have no Chapter voting rights and cannot hold office. The Board of Officers will establish the fee for this new category at its semi-annual meeting held just prior to the annual business meeting on June 30, 2004. (b) The Board shall serve two-year terms and may be re-elected in either the same or a different office. Our Chapter previously held annual elections with re-election possible only in a different office. (c) The President appoints a three-member Nominations Committee and a three-member Election Committee. No member of the Board may serve on these two committees. The Board previously acted as the Nominations Committee and the President appointed a two-member Election Committee. (d) Associate Members may vote and hold office, except for the position of President. Associate Members could previously vote in Chapter elections, but not hold any Chapter office. Affiliates of the Chapter may not vote in Chapter elections or hold any Chapter office.

The Board of Officers unanimously approved the proposed revision to the Chapter By-Laws at its February 25, 2004, semi-annual meeting in Seattle. This matter is being brought before the membership for a vote of approval at our Annual Business Meeting on June 30, 2004, at the Mayflower of China Restaurant in Tukwila. The President will then file the revised Chapter By-Laws with the Washington State Secretary of States Office as required by law.

### **Reminder Message to all Chapter Members**

The following open letter was printed in the March/April 2004, Chapter Newsletter. This is a reminder notice to all Chapter Members. Please complete the Chapter Survey and return it electronically to President Joe Dervaes prior to the Annual Business Meeting. Or, you could bring it with you to the meeting as well. Completion of the survey makes you eligible for a free fraud seminar as the guest of the Chapter. **Now is the time for action!** Thanks for your participation in this important event.

### **Open Letter to All Members of the Pacific Northwest Chapter/ACFE – March 31, 2004**

The Chapter has established its annual fraud seminar and conference schedule meeting days, times, frequencies, and locations based upon Member responses to a previous questionnaire that sought your input on this important part of the life and times of the Chapter. Reference our annual training calendar at the beginning of the Newsletter for additional information.

The Board of Officers wants to make sure that our training calendar meets the current needs of the membership. At our February 25, 2004, semi-annual Board of Officers meeting, we decided to send out another questionnaire for this purpose. The objective of the survey is to find out what it would take for the Members to become more involved in the Chapter's activities. We continually work hard to deliver important training topics to the Members, and your input would be invaluable to the Board of Officers during these deliberations.

Members should download this survey and submit their electronic response to Chapter President, Joe Dervaes at [www.dervaesj@sao.wa.gov](mailto:www.dervaesj@sao.wa.gov). The survey response may be submitted at any time after receipt of the Newsletter. **But, in order to qualify for the gift described below, your response must be received before June 30, 2004.**

The Board approved the award of a gift to one Member submitting a response to the Chapter Survey as an incentive to obtain participation and input from the membership. The gift is **a free registration fee** for a future joint Chapter/Association Fraud Class or the joint Chapter/WSCPA Annual Fraud Conference, as determined by the Board. The winner will be selected by a drawing held at the Annual Luncheon Business Meeting on June 30, 2004.

**Anyone can submit a response to the questionnaire. But, the winner must be a Chapter Member. Therefore, you must include your name on the survey response in order for the Board of Officers to determine eligibility for the gift. The winner does not need to be present to win.**

Sincerely, Your Board of Officers

Attachment  
Survey Questionnaire

PACIFIC NORTHWEST CHAPTER/ACFE  
**SURVEY QUESTIONNAIRE**

1. Name: \_\_\_\_\_

2. Chapter meeting day of the week preference: No Preference \_\_\_\_\_

Mon \_\_\_\_\_ Tue \_\_\_\_\_ Wed \_\_\_\_\_ Thurs \_\_\_\_\_ Fri \_\_\_\_\_ Sat \_\_\_\_\_ Sun \_\_\_\_\_

3. Chapter meeting week of the month preference: No Preference \_\_\_\_\_

First \_\_\_\_\_ Second \_\_\_\_\_ Third \_\_\_\_\_ Fourth \_\_\_\_\_

4. Chapter meeting time of day preference: No Preference \_\_\_\_\_

Breakfast Meeting \_\_\_\_\_ Morning Seminar \_\_\_\_\_ Lunch Meeting \_\_\_\_\_

Afternoon Seminar \_\_\_\_\_ Dinner Meeting \_\_\_\_\_ Evening Seminar \_\_\_\_\_

5. Length of chapter meeting: \_\_\_\_\_ Hours and Time: \_\_\_\_\_

6. Chapter meeting frequency: No Preference \_\_\_\_\_

Monthly \_\_\_\_\_ Bi-Monthly \_\_\_\_\_ Quarterly (Minimum) \_\_\_\_\_

7. Chapter meeting city preference: No Preference \_\_\_\_\_

Seattle (Downtown) \_\_\_\_\_ Bellevue (East Side) \_\_\_\_\_

Other City (Specify) \_\_\_\_\_

City Rotation (Describe How) \_\_\_\_\_

8. Suggested Meeting Location (Where) \_\_\_\_\_

9. For the annual chapter business meeting, would you prefer:

Luncheon Meeting: (a) \_\_\_\_\_ With A Speaker (b) \_\_\_\_\_ Without A Speaker

Afternoon Meeting: (a) \_\_\_\_\_ With A Speaker (b) \_\_\_\_\_ Without A Speaker

Dinner Meeting: (a) \_\_\_ With A Speaker (b) \_\_\_ Without A Speaker

10. Narrative for Other Information:

In this section, please tell us exactly what we can do to make it easier for you to increase your personal attendance at our fraud training events. In addition, please provide us with any input or suggestions you might have for us to improve our Chapter activities. Your input is considered to be very valuable for us in determining the future direction of the Chapter.

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11. Training Input:

In this section, please give us your input on suggested fraud training topics you would like us to present in the future. And, if possible, provide a suggested contact point for an individual who would be able to make such a presentation. Perhaps that's you. So, don't hesitate to volunteer your services. Your Board of Officers believes every CFE has something to share with the membership about their life experiences in the wonderful world of fraud.

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12. Other:

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**Revision to the Chapter Web-Site**

Webmaster Kent Hansen is currently revising our Chapter web-site. However, we are sad to report that Kent recently suffered an injury to his hand. As you can imagine, this type of injury has slowed him down in his work as well as in his volunteer duties as Chapter Webmaster. Kent has promised to update the web-site as soon as he is able. After this is has been accomplished, you can check out the following:

The following items are being updated: Job Referral List and "Fraud Detection and Development" training manual (January 2004 edition by Joe Dervaes).

The following items are being added: "The Public Treasurer's Guide to Understanding Employee Embezzlement in the Government Workplace" (January 2004 edition by Joe Dervaes), Association and Chapter Scholarship Programs, Chapter Library, and Chapter "Who's Who List".

Great news! At last count, we have approximately 75 Chapter members and over 210 subscribers to the electronic copy of our Chapter Newsletter. The web-site is a big hit, and

definitely saves the Chapter over \$2,000 in mailing costs for the newsletter alone. Kudos to our webmaster. Thanks for all you do Kent. Your dedicated efforts in the background to make the Chapter web-site a huge success are definitely appreciated by the Board of Officers and the Members. Keep up the great work!

### **Additional Training Opportunities**

(1) The Oregon Chapter/ACFE and the Association of CFEs jointly present “How to Testify” on Thursday, June 10, 2004, in downtown Portland, OR. Eight hours of CPE are offered. The instructor is G. Michael Lawrence, J.D., CFE. Mr. Lawrence has been the outside special counsel to the ACFE and is a frequent lecturer for the Association on fraud investigation and legal topics related to fraud. Contact Nancy Pasternack, Chapter President, at (503) 577-7533 or by e-mail at [nancyp@oregon-acfe.org](mailto:nancyp@oregon-acfe.org). Members of the Pacific NW Chapter/ACFE can attend this seminar at Oregon Chapter/ACFE “member” rates based upon a reciprocal agreement between these two organizations. This is true for any training opportunity offered by the Oregon Chapter/ACFE. The registration fee for this particular class is \$150 for members and \$175 for non-members.

(2) John E. Reid and Associates, Incorporated will be conducting seminars at the Madison Renaissance Hotel in Seattle as follows. The Three-Day Regular Program on “The Reid Technique of Interviewing and Interrogation” will be held during the period July 12–14, 2004, followed by the One-Day Advanced Course on July 15, 2004.

The normal fee for the three-day seminar is \$550 per person, and \$725 for the full four-day program. As a participant in the Reid Group of Preferred Associations, Members of the Pacific Northwest Chapter/ACFE can attend the three-day training seminar for the reduced fee of \$395 per person - a savings of \$155 per person, or \$545 for the full four-day program – a savings of \$180. The organization’s products can also be purchased at discount prices.

Members may register for this seminar or obtain additional information regarding seminar contents by calling 1-800-255-5747, extension 24. If you intent to register for any of these training classes, please be sure to contact Joe Dervaes at [www.dervaesj@sao.wa.gov](mailto:www.dervaesj@sao.wa.gov) to obtain our Chapter’s Association Code Number. This will ensure that you receive the member discount.

### **Important Association Announcement**

In late April 2004, the President of the Oregon Chapter/ACFE, Nancy Pasternack, was notified of her selection as the new Training Director for the Association of CFE’s in Austin, Texas. She begins her new job immediately. Nancy brings a wealth of training background and an international personal background to this position. She replaces Nancy Bradford who recently departed the Association so that she could be closer to her parents in Florida. We will certainly miss Nancy Bradford’s presence at the Association of CFEs. But, we will also most certainly welcome Nancy Pasternack’s work in this important position. I’m sure that our Chapter will have lots of contact with her as we coordinate our training program with the Association each year. In addition, planning the educational programs for Association fraud classes and the

Annual Fraud Conference are big items on her agenda each year. The Pacific Northwest Chapter/ACFE enthusiastically welcomes Nancy Pasternack!

### **Job Opportunities**

The Washington State Department of Financial Institutions is recruiting for 2-3 new financial examiners. At least one of these will be for one of the more senior positions. The agency is hiring at the FE2 and FE3 positions (\$37,000-\$65,000 range). But, a very strong person might qualify for an FE4 position (\$57,252-\$73,296 range). Financial examiners at DFI are paid the same as the attorneys. Interested candidates should contact Gerri Deach, Human Resources at [gdeach@dfi.wa.gov](mailto:gdeach@dfi.wa.gov) or (360) 902-8741 or visit the agency's web-site at [www.dfi.wa.gov](http://www.dfi.wa.gov).

The Washington State Department of Information Services is recruiting for an Information Technology Applications Specialist 5 (no salary range provided). Interested candidates should contact Richard Woodard, Human Resources Consultant at [richardw@dis.wa.gov](mailto:richardw@dis.wa.gov) or (360) 902-3540 or visit the agency's web-site at [www.dis.wa.gov](http://www.dis.wa.gov).

The Washington State Department of Information Systems is recruiting for a Senior Technology Management Consultant in its Management and Oversight of Strategic Technologies Division in Olympia. The job opened April 28, 2004, and will remain open until the position is filled. It's requisition number 942. Interested candidates should contact Richard Woodard, Human Resources Consultant at [richardw@dis.wa.gov](mailto:richardw@dis.wa.gov) or (360) 902-3540 or visit the agency's web-site at [www.dis.wa.gov/aboutdis/stmc\\_942.htm](http://www.dis.wa.gov/aboutdis/stmc_942.htm). (There is an underline between "stmc" and "942" in the e-mail address shown (i.e.; "stmc\_942"))

On May 12, 2004, the Chapter was contacted by Dean Parker, recruiter for the RJS Association in Connecticut who has a financial institution client that is seeking a Director of Internal Audit. If you are interested in this position, please contact him directly at (860) 278-5840.

On May 24, 2004, the Puget Sound Regional Council announced that it is seeking an Assistant Planner to play a key role in the maintenance and operation of, and continued improvements to, a comprehensive database of transportation project funding information. This is a full-time position. Application materials must be received by noon on Monday, June 7, 2004. Starting salary range is \$33,800 to \$40,000 per year, depending on experience, with excellent benefits. The job is located in downtown Seattle, Washington. For more information visit [www.psrc.org/about/jobs](http://www.psrc.org/about/jobs), call Meghan Foley in Human Resources at (206) 464-7090, fax (206) 587-4825, or contact the agency by e-mail at [gfooster@psrc.org](mailto:gfooster@psrc.org).

On May 25, 2004, the Washington State Treasurer's Office announced that it is seeking a Finance Officer in its Debt Management Division. This is a WMS Band 2 position with salary in the \$48,000-\$59,000 range depending upon qualifications. The position closes on June 9, 2004. Visit the agency's web-site at: [www.tre.wa.gov](http://www.tre.wa.gov) for additional information about this job opportunity.

On June 7, 2004, Marty Biegelman, CFE, Director of the Financial Integrity Unit (FIU) at Microsoft Corporation announced that he is seeking a Forensic Accounting Manager for the

Financial Integrity Unit (FIU) in Redmond, Washington. The draft position description is as follows:

The FIU is responsible for reducing financial fraud and abuse through effective detection, investigation, prevention and implementation of business solutions for future improvements. The successful candidate will be a CPA and CFE with strong analytical and accounting skills as well as knowledge of GAAP and SAP. The candidate must have a passion for technology, possess systems and tools skills, have outstanding presentation skills and the ability to work extended hours and travel domestically and internationally. If you are qualified and have an interest, please e-mail your cover letter and resume to [martinbi@microsoft.com](mailto:martinbi@microsoft.com). The office address is One Microsoft Way, Building 4/1236, Redmond, WA 98052-6799. His telephone number is (425) 703-3242.

### **National Fraud Awareness Week**

The Pacific NW Chapter/ACFE has registered as an Official Supporter of the 5<sup>th</sup> annual “National Fraud Awareness Week”. There is no cost to participate as a sponsor, and all companies, organizations, and governmental agencies are encouraged to do so. The publication of this notice in our CFE Chapter Newsletter is a part of our participation in this annual event.

As in the past, this event is held the same week as the Association’s Annual fraud Conference (July 11-17, 2004). This week 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 upon our society. The Association of CFEs, in conjunction with leading public and private sector supporters, utilizes National Fraud Awareness Week to educate people about the prevalence of fraud and how to deter it. The Annual Fraud Conference kicks off NFAW and provides a meeting place for fraud professionals from around the world to discuss the latest in fraud detection, deterrence, and education. You can find out more about this event at [www.FraudWeek.com](http://www.FraudWeek.com), the single source for anyone interested in learning more about fraud and how to report it. Basic fraud statistics, help in determining if you have been a victim of fraud, links to other anti-fraud related Web sites, and suggestions on where to report fraud are available at this Web site.

### **Fraud Tips**

The following article appeared in The News Tribune, Tacoma, Washington, on Friday, March 19, 2004:

“The Many Faces of Tax Scams – Con Artists Tout Schemes to Beat the IRS that Sound Too Good to be true – and Are”, by Jack Keith of The News Tribune: Gannett News Service contributed to this report.

Call them the Dirty Dozen. Just in time for tax season, the Internal Revenue Service has come out with this year’s 12 most common scams.

“Don’t be fooled by these outrageous claims,” says IRS Commissioner Mark W. Everson. “There is no secret way to escape paying taxes.”

Tax preparers who claim they can wipe out your tax bill by exploiting hidden tax loopholes are usually con artists. And if the IRS uncovers the scam, you’ll be liable for back taxes, interest, and penalties, says Dale Hart, who heads the IRS small business/self-employed division.

To report suspected tax fraud: Call IRS at 1-800-829-0433. For more information: IRS.gov, go to “The Newsroom” section. What’s on the IRS’ radar this year:

(1) **Misuse of Trusts.** The Scam: Transfer major assets – home, cars, etc. – into trusts. The Promise: Trusts supposedly provide a variety of benefits, such as reduction of income subject to tax, deductions for personal expenses paid by trust, reduction of gift or estate taxes. The Reality: It’s not legal. More than a dozen injunctions have been obtained against promoters, and numerous promoters and their clients have been criminally prosecuted, the IRS says.

(2) **“Claim of Right” Doctrine.** The Scam: Take a deduction equal to the entire amount of your wages. The Promise: Promoters advise taxpayers to label deduction as “necessary expense for the production of income” or “compensation for personal services actually rendered.” The Reality: Deduction is based on misinterpretation of Internal Revenue

(3) **Corporation Sole.** The Scam: Transform yourself into a one-person religious organization. The Promise: Promoters charge seminar fees up to \$1,000 to describe how you can avoid federal income taxes, child support, and other financial responsibilities. The Reality: Scheme twists legitimate tax code provision known as Corporation Sole, which allows religious leaders to incorporate so they can separate themselves from control and ownership of church assets.

(4) **Offshore Transactions.** The Scam: Hide income and assets outside the United States, using offshore bank and brokerage accounts, credit cards, trusts, and leases. The Promise: Because your money is on foreign soil, it’s not subject to tax. The Reality: Hiding, or underreporting income is illegal. This was the top scam last year. The IRS aggressively tracks taxpayers and promoters involved in this evasion strategy – so far, it has recaptured \$170 million.

(5) **Employment Tax Evasion.** The Scam: Promoters tell employers they don’t have to withhold federal income or other employment taxes from employees’ wages. The Promise: Lower taxes for companies. The Reality: Schemes are based on incorrect interpretation of tax law that has been rejected by the courts. Employers who attempt this dodge could be held liable for back payments of employment taxes, plus penalties, and interest. Workers who haven’t had their taxes withheld are still responsible for paying their taxes.

(6) **Return Preparer Fraud.** The Scam: Promoters guarantee tax refunds, cut-rate deals. The Promise: Lower tax payments. The Reality: Abusive tax preparers, sometimes pocket a portion of clients’ income, and charge inflated fees. Recent survey by Lawyers.com found that only about half of all Americans take steps to check out their tax preparers. You can check out a tax preparer by contacting the Better Business Bureau and the Washington Attorney General’s Office. Ask if there are any complaints on file against the individual.

(7) **Americans With Disabilities Act.** The Scam: Buy equipment and services that the promoter says meet strict criteria of Disabled Access Credit, created with the passage of the Americans With Disabilities Act. The Promise: Make minimal payment, provide insignificant services to complete purchase agreement but still get the tax credit. The Reality: Another scheme based on incorrect interpretation of the law and over inflated value of services rendered.

(8) **Special Tax Refund for African Americans.** The Scam: Black people are eligible for tax credits related to slavery reparations. The Promise: File claim – for fee to scam promoter – and get money bank. The Reality: No such provision in the tax law. Taxpayers who file reparations claims could face \$500 fine. Slavery reparations scam topped 2002 “Dirty Dozen.” Claims have fallen considerably, but the IRS continues to see activity in this area.

(9) **Home-Based Business.** The Scam: Set up bogus home-based business, deduct personal expenses as business expenses. The Promise: Save money by avoiding taxes. The Reality: In December, the Justice Department filed suit against a Texas promoter who allegedly told clients they could deduct personal travel, meals, golf, cares, medical expenses, and their children’s allowances by creating bogus home businesses. Tax code includes firm guidelines about what constitutes a business, the IRS says.

(10) **Frivolous Arguments.** The Scam: You don’t have to pay taxes because you’re not really a U.S. resident – you’re a Washington resident. The Promise: Promoter says, “I don’t pay taxes – why should you?” Pay \$49.95 and we’ll share secret ways to avoid taxes. The Reality: Advice can result in civil and/or criminal penalties.

(11) **Identity Theft.** The Scam: Steal someone’s personal and banking data to commit tax fraud. The Promise: Promoter says he can use someone’s Social Security number and other information to file false tax returns, save you money. The Reality: That’s illegal.

(12) **“Borrowing” Dependents.** The Scam: Unscrupulous tax preparers “share” one client’s qualifying children with another client in order to allow both clients to claim Earned Income Tax Credit. The Promise: One claim might have four children but needs to list only two to get maximum tax credit, so you can use his kids to get a tax break. The Reality: Preparer and client sharing his dependents split your fee. And of course it’s illegal to share children for tax purposes.

### **Fraud Tips**

The following article appeared in The News Tribune, Tacoma, Washington, on Saturday, May 1, 2004:

“Don’t be Victimized by E-Mails, IRS Warns – Identity Theft: Scam Alleges Tax Investigations”, by The Associated Press, Washington, D.C.

The Internal Revenue Service warned consumers Friday about an identity theft operation that tries to elicit personal information from taxpayers by sending e-mails alleging they're the subject of a tax investigation.

Neither the Treasury Department nor the Internal Revenue Service sends e-mails to taxpayers about issues related to their accounts.

The official-looking e-mail tells recipients they can dispute the tax fraud charge by logging onto a Web-site and providing detailed personal information like Social Security numbers, credit care numbers, and driver's license numbers.

Identity thieves use individuals' personal data to create false identification documents, to buy goods, and to apply for loans, credit cards, or other services in the victim's name.

The Internet service provider that hosted the fraudulent Web site shut it down at the request of the Treasury Department's inspector general for taxes. The IRS warns that new versions could surface.

Taxpayers who receive suspect e-mails should call the Treasury Department toll-free fraud hot line at 1-800-366-4484, or the IRS at 1-800-829-1040.

### **Fraud Tips**

#### **Tips For Preventing Online Auction Fraud**

- Understand what you're bidding on. Read the seller's description of the item or service.
- Try to determine the relative value of an item before you bid.
- E-mail or call the seller if you have any questions.
- If you feel uneasy about whom you are buying from, ask the seller to bond the auction.

Source: [buysafe.com](http://buysafe.com) and Association of CFEs InfoNewsletter.

Pacific Northwest Chapter  
 Association of Certified Fraud Examiners  
**TERM:** July 1, 2004 Thru June 30, 2006 (Two Years)  
**2004 ANNUAL BALLOT**

Nominating Committee Report.

According to the Chapter By-Laws, the Nominating Committee consists of three chapter members appointed by the President. The following chapter members served on this committee this year: Morgan D. Jacobson, CFE, CISA; Clifford C. Whipple, CFE; and, Kent Hansen, CFE, CPA, CMA. 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 29, 2004**; **or,**

(b) **Bring** this ballot to the annual chapter luncheon business meeting **on June 30, 2004**. The meeting will be at the Mayflower of China Restaurant; 17005 SouthCenter Parkway (near SouthCenter Mall); Tukwila, Washington, 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 2004 Chapter newsletter.

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

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

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

PRESIDENT

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JOSEPH R. DERVAES, CFE, ACFE Fellow, CIA. Joe is a Life Member; 2003 Donald R. Cressey Award Winner for his lifetime achievements in fraud deterrence, detection, and education; Fellow; Regent Emeritus; Member of the Board of Review; Distinguished Achievement Award winner; and adjunct faculty member of the Association of CFE's. He is the Audit Manager for Special Investigations for the Washington State Auditor's Office where he manages the agency's Fraud Program. He is the Founding President of the Chapter and is **the current Chapter President.**

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VICE-PRESIDENT

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DR. NORMAN J. GIERLASINSKI, PhD, CFE, CPA, CIA. Norm is the 2003 Outstanding Achievement in Fraud Education Award Winner and is a faculty member of Central Washington University-SeaTac Center in Tukwila. At the Association of CFE's Annual Fraud Conference in 2002, Norm received the Outstanding Achievement in Anti-Fraud Education Award. He is a Distinguished Achievement Award winner and **the current Chapter Vice-President.**

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SECRETARY/TREASURER

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ROGER B. GULLIVER, CFE, CPA, CISA, CBA. Roger owns and operates a private firm, Roger B. Gulliver, CPA. He is a Distinguished Achievement Award winner and **the current Chapter Secretary/Treasurer.**

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DIRECTOR-AT-LARGE

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BERNADETTE MC BRIDE, CFE, CPA. Bernadette is a Senior Investigator/Financial Examiner in the Securities Division at the Washington State Department of Financial Institutions. She is also the President of McBride, Incorporated. **She is a current Director-At-Large for the Chapter.**

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DIRECTOR-AT-LARGE

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ROBERT A. GOEHRING, CFE, CPA. Robert has been an Audit Manager at the City of Kent since 2002. Prior to this assignment, he was employed by the Washington State Auditor's Office for approximately 15 years and most recently served as the Senior Investigator in the agency's Fraud Program. **He is a current Director-At-Large for the Chapter.**

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**ANNUAL CHAPTER LUNCHEON AND BUSINESS MEETING**

Wednesday, June 30, 2004 -- 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 on SouthCenter Parkway. The restaurant is in a strip mall just less than ½ mile from there on your right (I-5 side of the road and after the second traffic signal). 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. If applicable, 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: Arif R. Ghouse, Manager of Airport Security, Seattle-Tacoma International Airport**  
**Topic: Aviation Security – So Who Does What?**

**Note:** We have entered into an agreement with the Washington State Board of Accountancy to meet its continuing professional education requirements.

**SEMINAR REGISTRATION FORM**

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

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

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

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

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

## **Seminar Description**

### **Aviation Security – So Who Does What?**

Arif R. Ghouse (pronounced Gouse) is the Manager of Airport Security at Seattle-Tacoma International Airport. The airport is managed by the Port of Seattle, a municipal government in the State of Washington. Arif works daily with the Transportation Security Administration (TSA), a federal agency, while performing the all important airport security role. During his presentation, he will give us a unique glimpse into Homeland Security and explain as much information as he is able to do without compromising his mission. He will also discuss how the Port of Seattle, the TSA, Air Marshals, and the Federal Bureau of Investigation all work together to keep Seattle-Tacoma International Airport safe, secure, and in compliance with all of the new federal rules promulgated by the Homeland Security Department. Arif will be accompanied by Rachel Garson, Community Relations Manager, at SeaTac International Airport.

### **Biography: Arif R. Ghouse**

Arif R. Ghouse is the Manager of Airport Security for the Port of Seattle. He directs a department of seventy (70) Port employees responsible for controlling and monitoring access to restricted areas and responding to alarms, maintaining the airport security program, operating the ID/Access office, reviewing FBI criminal history record checks, and conducting security compliance audits.

Arif has been with the Port of Seattle since July 2000. Prior to joining the Port he worked for the Houston Airport System, Texas and BAA (formerly British Airports Authority) in London, England, and has a total of thirteen (13) years experience in the Aviation field.

Arif was born in India but moved to England when he was three (3) years old, where he lived for twenty-seven (27) years before immigrating to the United States in 1994. He has a Master's Degree in Air Transport Management and a Bachelor's Degree in Business Administration.

Arif is a Certified Member of the American Association of Airport Executives and the Vice-Chair for the Airport Council International – North America's Public Safety and Security Steering Committee. He also represents the twenty-one (21) largest U.S. airports on the Security Technology Deployment Office Stakeholders' Group, a partnership group between the federal government and the aviation industry.

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Fax 312-876-1743

### **False Confession Cases – The Issues**

In the past several years a number of false confession cases have received extensive publicity. In several of these cases the convicted individual has been exonerated by DNA testing and the actual perpetrator, in turn, has been identified. In these cases it is important to examine in detail exactly what happened; what went wrong; what are the lessons to be learned, and what are potential safeguards that can be put into place to prevent future mistakes.

To be sure, in the experience of most professional interrogators the frequency of false confessions is rare. When we do learn of them, however, the interrogation tactics and techniques should be scrupulously examined, as well as the circumstances surrounding the interrogation. When this has been done, there are four factors that appear with some regularity in false confession cases:

- The suspect is a juvenile; and/or
- The suspect suffers some mental or psychological impairment; and/or
- The interrogation took place over an inordinate amount of time; and/or
- The interrogators engaged in illegal tactics and techniques

#### *Juveniles/Mental Impairment*

**Every interrogator must exercise extreme caution and care when interviewing or interrogating a juvenile or a person who is mentally or psychologically impaired. Certainly these individuals can and do commit very serious crimes. But when a juvenile or person who is mentally or psychologically impaired confesses, the investigator should exercise extreme diligence in establishing the accuracy of such a statement through subsequent corroboration. In these situations it is imperative that interrogators do not reveal details of the crime so that they can use the disclosure of such information by the suspect as verification of the confession's authenticity.**

**When a juvenile younger than 15, who has not had any prior experience with the police, is advised of his Miranda rights, the investigator should carefully discuss and talk about those rights with the subject (not just recite them) to make sure that he understands them. If it is apparent that the suspect does not understand his rights, no interrogation should be conducted at that time. The same is true for a person who is mentally or psychologically impaired.**

#### *Threats/Promises*

**A review of the available information in false confession cases has revealed that in many of the interrogations the investigators engaged in the use of impermissible threats and promises. Interrogators in these cases have made such statements as:**

**“You’re not leaving this room until you confess.”**

**“If you tell me you did this you can go home and sleep in your own bed tonight (when such is not the case).”**

**“You will be sentenced to the maximum term unless you confess.”**

**“With the evidence that we have, there’s no doubt that you will be convicted of this. The only question is how long you are going to sit in jail.”**

**“If you don’t tell the truth I will get your children turned over to protective services and you’ll never see them again.”**

**“The other guys want to charge you with 1<sup>st</sup> degree murder but if you tell me it was just manslaughter nothing bad will happen to you.”**

**It goes without saying that in the questioning of a criminal suspect no professional interrogator should engage in any illegal interrogation practices, including any threats, promises of leniency or the exercise of any physically abusive tactics. Furthermore, the rights of the suspect should be scrupulously respected.**

### ***Theme Development***

**It has been suggested by some that the interrogator’s effort to develop a theme during the interrogation is not just offering the suspect a moral excuse for his criminal behavior, but is actually offering the suspect a promise of reduced punishment. Here are several quotes from our books that clarify this issue:**

Excerpts from Criminal Interrogation and Confessions (4<sup>th</sup> edition, 2001 Inbau, Reid, Buckley and Jayne)

- **“During the presentation of any theme based upon the morality factor, caution must be taken to avoid any indication that the minimization of the moral blame will relieve the suspect of criminal responsibility.” (p.93)**
- **“As earlier stated, the interrogator must avoid any expressed or intentionally implied statement to the effect that because of the minimized seriousness of the offense, the suspect is to receive a lighter punishment.” (p.100)**

- “In applying this technique of condemning the accomplice, the interrogator must proceed cautiously and must refrain from making any comments to the effect that the blame cast on an accomplice thereby relieves the suspect of legal responsibility for his part in the commission of the offense.” (p. 114)

Excerpt from The Investigator Anthology 2000 Jayne and Buckley

- “During theme development, caution must be exercised, however, not to tell the suspect that if the crime was committed for a morally acceptable reason that the suspect will be accorded leniency.” (p. 414)

### *Alternative Questions*

**In The Reid Technique the alternative question should never threaten consequences or offer promises of leniency. The following are improper alternative question examples:**

**“Do you want to cooperate with me and tell me what happened, or spend the next five to seven years behind bars?” (improper)**

**“Do you want to be charged with first degree murder, which will mean life in prison, or was this just manslaughter?” (improper)**

**“Are you going to get this straightened out today, or do you want to spend a few days in jail to think about it?” (improper)**

**There has been the suggestion by some critics of police interrogation techniques that the alternative question – “Was this your idea or did your buddies talk you into it?” is potentially dangerous because it only offers a suspect (including an innocent one) only two choices, both of which amount to an admission of guilt. Obviously the third choice is for the suspect to deny any participation in the commission of the crime that is under investigation.**

**However, there is an additional issue raised by some critics about the alternative question – namely, that saying “Was this your idea or did your buddies talk you into it” is essentially the same as saying “If this was your idea you are going to spend time in jail, but if your buddies came up with the idea you won’t have any problems.” This theory is called “pragmatic implication” and was developed from a research study in which college students read various transcripts of interrogations and then speculated on the type of punishment the suspects would receive based on the interrogation process used. Specifically, the students theorized that when the interrogator suggested in a murder case interrogation that the victim may have done or said something to have provoked the suspect, that he would receive the same punishment as in those interrogations in which the**

suspect was directly offered a promise of leniency that if he confessed he would receive less punishment.

The courts have rejected the idea that a confession is inadmissible if a suspect confesses because he harbors some internal hope that his confession may lead to a lesser sentence.

*State v. Nunn* - "...even if a suspect ...influenced perhaps by wishful thinking ...assumed that he would get more lenient treatment...[this] would not, as a matter of law, make the confession inadmissible."

*R. v. Rennie* - "Very few confessions are inspired solely by remorse. Often the motives of the accused are mixed and include a hope that an early admission may lead to an early release or a lighter sentence."

*R v Oickle* - The Supreme Court of Canada indicated that the type of alternative question we suggest does not create an inadmissible confession, and offered a clear test of whether or not an implied threat or promise crosses the legal line: "The most important decision in all cases is to look for a *quid pro quo* offer by interrogators, regardless of whether it comes in the form of a threat or a promise."

### *Confession Corroboration*

As we have stated earlier, it is imperative that interrogators do not reveal details of the crime so that they can use the disclosure of such information by the suspect as verification of the confession's authenticity. In each case there should be documented "hold back" information about the details of how the crime was committed; details from the crime scene; details about specific activities perpetrated by the offender; etc. The goal is match the suspect's confession against these details to establish the veracity of the statement. It should be remembered, however, that suspects do not always tell us everything that they did and they do not always remember all of the details themselves.

Excerpt from Criminal Interrogation and Confessions (4<sup>th</sup> edition, 2001 Inbau, Reid, Buckley and Jayne)

- "... it is also a fact that most confessors to crimes of a serious nature will lie about some aspect of the occurrence, even though they may have disclosed the full truth regarding the main event. They will lie about some detail of the crime for which they have a greater feeling of shame than that which they experienced with respect to the main event itself." (p. 106)

Excerpts from The Investigator Anthology 2000 Jayne and Buckley

- “Lies of justification and omission are commonplace in written confessions. Many of these lies represent the suspect’s attempt to present his crime in the most favorable light, others have a more direct bearing, such as protecting the name of an accomplice or concealing involvement in another crime.” (p. 472)
- “Some confessions contain misinformation because of the suspect’s perceptual distortions. During a kidnapping and murder of a child, the suspect may have vivid recollections of committing the crime, but have no specific recollections of the clothes the child was wearing.” Many crimes are committed when the suspect is experiencing intense emotions (fear, anger, frustration). Just as victims tend to focus on the robber’s weapon during a robbery, the emotions a guilty suspect experiences can bias attention and memory retrieval of specific details. As cognitive psychologist Daniel Schacter writes, “When a person has actually experienced trauma, the central core of the experience is almost always well remembered; if distortion does occur, it is most likely to involve specific details.” Searching for Memory: The Brain, The Mind and the Past 1996 (p.473)

Nevertheless, when significant and substantial contradictions exist between the known facts about the crime and what the suspect describes in his confession, extreme care must be exercised in the assessment of the confession’s validity.

#### *Factors to Consider*

**With the above discussion in mind, the following represents some factors to consider in the assessment of the credibility of a suspect’s confession. These issues are certainly not all inclusive, and each case must be evaluated on the “totality of circumstances” surrounding the interrogation and confession, but nevertheless, these are elements that should be given careful consideration:**

1. **The suspect’s condition at the time of the interrogation**
  - a. **Physical condition (including drug and/or alcohol intoxication)**
  - b. **Mental capacity**
  - c. **Psychological condition**
2. **The suspects age**
3. **The suspect’s prior experience with law enforcement**
4. **The suspect’s understanding of the language**
5. **The length of the interrogation**
6. **The degree of detail provided by the suspect in his confession**
7. **The extent of corroboration between the confession and the crime**
8. **The presence of witnesses to the interrogation and confession**

- 9. The suspect's behavior during the interrogation**
- 10. The effort to address the suspect's physical needs**
- 11. The presence of any improper interrogation techniques**

**The Testimony Data Sheet provided below will help to document information relevant to these considerations. For more information on these issues go to Helpful Info at our web page [www.reid.com](http://www.reid.com) and then click on the Critics Corner.**

## TESTIMONY DATA SHEET

Name: \_\_\_\_\_ DOB: \_\_\_\_\_

Language: \_\_\_\_\_

People involved in the interrogation: \_\_\_\_\_

1. Was Miranda given? Y N time \_\_\_\_\_ place \_\_\_\_\_ Witness \_\_\_\_\_

2. Behavior Analysis Interview start \_\_\_\_\_ end \_\_\_\_\_

How do you feel about being interviewed today?

Why have you agreed to talk to me about this matter?

How would you describe your physical health right now?

How much sleep did you get in the last 24 hours?

When was your last full meal?

Have you had any alcohol or drugs in the last 24 hours?

3. Interrogation start \_\_\_\_\_ end \_\_\_\_\_

Primary Theme: \_\_\_\_\_

Alternative Question: \_\_\_\_\_

First admission of guilt time \_\_\_\_\_

Suspect left interrogation room time \_\_\_\_\_

Did the suspect request an attorney ? Y N

Did the suspect say he no longer wanted to answer questions? Y N

Did the suspect attempt to leave the room ? Y N

4. Document any washroom breaks; beverages; food; cigarette breaks, etc: \_\_\_\_\_  
\_\_\_\_\_

5. Confession Witnessed by \_\_\_\_\_

Why did you decide to tell the truth about this?

Do you have any complaints about the way you were treated today?

**Completed by:** \_\_\_\_\_

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*State v. Nunn* - "...even if a suspect ...influenced perhaps by wishful thinking ...assumed that he would get more lenient treatment...[this] would not, as a matter of law, make the confession inadmissible."

*R. v. Rennie* - "Very few confessions are inspired solely by remorse. Often the motives of the accused are mixed and include a hope that an early admission may lead to an early release or a lighter sentence."

*R v Oickle* - The Supreme Court of Canada indicated that the type of alternative question we suggest does not create an inadmissible confession, and offered a clear test of whether or not an implied threat or promise crosses the legal line: "The most important decision in all cases is to look for a *quid pro quo* offer by interrogators, regardless of whether it comes in the form of a threat or a promise."

### *Confession Corroboration*

As we have stated earlier, it is imperative that interrogators do not reveal details of the crime so that they can use the disclosure of such information by the suspect as verification of the confession's authenticity. In each case there should be documented "hold back" information about the details of how the crime was committed; details from the crime scene; details about specific activities perpetrated by the offender; etc. The goal is match the suspect's confession against these details to establish the veracity of the statement. It should be remembered, however, that suspects do not always tell us everything that they did and they do not always remember all of the details themselves.

Excerpt from Criminal Interrogation and Confessions (4<sup>th</sup> edition, 2001 Inbau, Reid, Buckley and Jayne)

- "... it is also a fact that most confessors to crimes of a serious nature will lie about some aspect of the occurrence, even though they may have disclosed the full truth regarding the main event. They will lie about some detail of the crime for which they have a greater feeling of shame than that which they experienced with respect to the main event itself." (p. 106)

Excerpts from The Investigator Anthology 2000 Jayne and Buckley

- “Lies of justification and omission are commonplace in written confessions. Many of these lies represent the suspect’s attempt to present his crime in the most favorable light, others have a more direct bearing, such as protecting the name of an accomplice or concealing involvement in another crime.” (p. 472)
- “Some confessions contain misinformation because of the suspect’s perceptual distortions. During a kidnapping and murder of a child, the suspect may have vivid recollections of committing the crime, but have no specific recollections of the clothes the child was wearing.” Many crimes are committed when the suspect is experiencing intense emotions (fear, anger, frustration). Just as victims tend to focus on the robber’s weapon during a robbery, the emotions a guilty suspect experiences can bias attention and memory retrieval of specific details. As cognitive psychologist Daniel Schacter writes, “When a person has actually experienced trauma, the central core of the experience is almost always well remembered; if distortion does occur, it is most likely to involve specific details.” *Searching for Memory: The Brain, The Mind and the Past* 1996 (p.473)

Nevertheless, when significant and substantial contradictions exist between the known facts about the crime and what the suspect describes in his confession, extreme care must be exercised in the assessment of the confession’s validity.

#### *Factors to Consider*

**With the above discussion in mind, the following represents some factors to consider in the assessment of the credibility of a suspect’s confession. These issues are certainly not all inclusive, and each case must be evaluated on the “totality of circumstances” surrounding the interrogation and confession, but nevertheless, these are elements that should be given careful consideration:**

- 12. The suspect’s condition at the time of the interrogation**
  - a. Physical condition (including drug and/or alcohol intoxication)**
  - b. Mental capacity**
  - c. Psychological condition**
- 13. The suspects age**
- 14. The suspect’s prior experience with law enforcement**
- 15. The suspect’s understanding of the language**
- 16. The length of the interrogation**
- 17. The degree of detail provided by the suspect in his confession**
- 18. The extent of corroboration between the confession and the crime**
- 19. The presence of witnesses to the interrogation and confession**

- 20. The suspect's behavior during the interrogation
- 21. The effort to address the suspect's physical needs
- 22. The presence of any improper interrogation techniques

The Testimony Data Sheet provided below will help to document information relevant to these considerations. For more information on these issues go to Helpful Info at our web page [www.reid.com](http://www.reid.com) and then click on the Critics Corner.

### TESTIMONY DATA SHEET

Name: \_\_\_\_\_ DOB: \_\_\_\_\_

Language: \_\_\_\_\_

People involved in the interrogation: \_\_\_\_\_

1. Was Miranda given? Y N time \_\_\_\_\_ place \_\_\_\_\_ Witness \_\_\_\_\_

2. Behavior Analysis Interview start \_\_\_\_\_ end \_\_\_\_\_

How do you feel about being interviewed today?

Why have you agreed to talk to me about this matter?

How would you describe your physical health right now?

How much sleep did you get in the last 24 hours?

When was your last full meal?

Have you had any alcohol or drugs in the last 24 hours?

3. Interrogation start \_\_\_\_\_ end \_\_\_\_\_

Primary Theme: \_\_\_\_\_

Alternative Question: \_\_\_\_\_

First admission of guilt time \_\_\_\_\_

Suspect left interrogation room time \_\_\_\_\_

Did the suspect request an attorney ? Y N

Did the suspect say he no longer wanted to answer questions? Y N

Did the suspect attempt to leave the room ? Y N

4. Document any washroom breaks; beverages; food; cigarette breaks, etc: \_\_\_\_\_

\_\_\_\_\_

5. Confession Witnessed by \_\_\_\_\_

Why did you decide to tell the truth about this?

Do you have any complaints about the way you were treated today?

**Completed by:**

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### **Investigating Possible Fabricated Claims**

A recent case involving a University of Wisconsin student who falsely claimed that she was abducted highlights some important characteristics of these investigations. This particular case quickly achieved national attention and was followed on a daily basis by morning talk shows. The reason for this attention was probably because the media were able to build suspense by showing surveillance video of the victim leaving her apartment the night of her alleged abduction. It certainly was not because of the scarcity of missing person cases nor was it the rarity of claims of alleged abductions. Indeed, while this drama was unfolding in Madison, Wisconsin, police 150 miles to the northeast were investigating another mysterious disappearance of a school teacher that also turned out to be faked. Because these cases tend to be high profile, an agency must be sensitive, but also diligent, in their investigation.

### **Initial Response**

When a law enforcement agency initially receives a report of a possible abduction, or when a person comes forward and claims to have been sexually assaulted or robbed, the initial response must be to accept the facts at face value and conduct an appropriate investigation based on available information. However, the investigation should be two-pronged. One effort should be to develop investigative information which may lead to possible suspects. At the same time, a second effort should focus on verifying the credibility of the report. For example, when questioning the victim's acquaintances the investigator not only must ask questions about who might have a motive to harm the victim but also ask questions to learn whether or not the victim may have a motive or propensity to fabricate such a claim.

Whether these cases are real or fabricated, the investigator must appreciate that the best source of information will be the alleged victim. Too often, victims are initially interviewed in an effort to gain basic information about the crime and then dismissed until needed for an identification or trial testimony. Our strong recommendation is to always re-interview victims perhaps 24 or 48 hours after the initial report (depending on the person's psychological/ physical health). The follow-up interview should be in-depth and should incorporate behavior-provoking questions to assess the person's credibility.

When an actual victim is initially interviewed, often that person is emotionally distressed and focuses on the emotional components of the attack. They strongly remember how they felt, what words were said and the humiliation they feared when others found out about what happened to them. However, the information an investigator most needs such as the physical description of the rapists, whether the rapist had a tattoo or unusual marks, or the description of the car the rapist was driving are foggy and uncertain. Often when a legitimate crime victim is re-

interviewed more detailed information about the perpetrator is learned and the victim has more certainty about peripheral details of the crime which may help the investigator. On the other hand, when a person who has fabricated a crime is re-interviewed, the results may be quite telling. Poor eye contact, a frozen posture and a sketchy memory during the initial interview may be forgiven as a result of trauma. However, when these same symptoms are still apparent two days after the alleged crime, the investigator should consider the possibility of a fabricated claim. Similarly, when relating a fabricated claim a second time the account may contain obvious inconsistencies. In particular, the investigator should listen for a change of sequence of events between the first and second accounts, since this strongly suggests a fabricated claim.

The decision as to whether or not the media should be contacted during an investigation is, at best, a judgment call. If public exposure is likely to develop further investigative information, such exposure is probably desirable. But public exposure is a double-edged sword. In the Madison case, media exposure resulted in phone calls from people who saw the victim the day after the alleged abduction but also greatly increased the personal consequences the victim faced if she wanted to tell the truth. It may have been a relatively easy task to persuade her to tell the truth if the only people affected were her family and friends. However, once the entire country became aware of her predicament, the consequences of telling the truth must have been almost insurmountable.

### **Interrogation**

When an investigation or second interview of a reported victim develops information that reasonably suggests a fabricated claim, it is entirely appropriate to interrogate the alleged victim in an effort to learn the truth. To develop an interrogation strategy, it is important to establish the probable motive for the false claim. The following can be used as a guideline for most false claims:

Robbery	To cover their own theft
	To cover complicity in the theft
	To cover negligence
Abduction / Assault where no person is named	Attention
	To explain absence or tardiness
	To cover pregnancy
	To cover sexually transmitted disease
	To cover injuries caused by a person being protected
Sexual assault where person is named	Revenge

Caught in embarrassing situation

For financial gain (paternity, settlement)

The confrontation of the interrogation should avoid descriptive language, e.g., "Mary, our investigation indicates that you did not tell the truth about being taken from your apartment." It would be incorrect to put Mary on the defensive by accusing her of "lying" and it would also be non-productive to confront her ambiguously, e.g., "Mary after reviewing your statement, things are not quite adding up." If an investigator does not come out with a direct and unambiguous confrontation statement often the suspect will offer a revised version of his story which satisfies the investigator's "things are not quite adding up" accusation, but still does not represent the truth.

Following a direct positive confrontation of guilt, the investigator should offer an interrogation theme which will reinforce the suspect's own motives for committing the crime. The theme is delivered as a sympathetic monologue and serves to create an environment where the suspect feels comfortable discussing his or her crime. In the previously referred to case from Wisconsin, the college student confessed that she made up the abduction story to gain attention and sympathy from her boyfriend. Consequently, this concept would have been an appropriate theme for her interrogation.

When the suspect appears to be ready to make the first admission of guilt the investigator should ask an alternative question. This is a question that offers the suspect two choices concerning some aspect of the crime. Accepting either choice results in the first admission of guilt. Some possible alternative questions to consider in cases involving a fabricated claim include:

"Did you do this for attention or because you are vindictive and wanted to get even with someone?"

"Did you plan this out for months in advance or did the idea just come to you on the spur of the moment?"

"Did you start out with a full story in mind, or did it just kind of grow as people asked you more and more questions?"

"Have you made up stories about other people your whole life, or was this pretty much the first time?"

Once the "victim" has started to tell the truth by accepting an alternative question, the investigator must learn the whole truth and develop a legally admissible confession. This confession must not only be obtained without the use of threats or promises, but must also be

trustworthy. The best evidence supporting the trustworthiness of a retracted claim of robbery, abduction or rape is independent corroboration. This describes information not known until the confession that can be independently verified. In the Madison case, the police were able to independently establish that the student herself purchased the knife, duct tape, and other articles allegedly used during her abduction. Other examples of possible independent corroboration in claims of false robbery, abduction or assault include recovery of stolen funds, recovery of object used to create an injury, bloodied material showing that injuries occurred other than where originally stated and a diary or conversation with a friend indicating the intention to fabricate a story.

### **Conclusion**

The national attention recently given to a false claim of abduction suggests that this is a very rare occurrence. In truth, it is not and law enforcement agencies must always consider the possibility that an alleged robbery, abduction, rape or physical assault is fabricated. An important aspect of the investigation is to re-interview the victim. When a false claim is suspected the interrogation theme will center around the probable motive for the claim. Once a person acknowledges that he or she made up the story, the investigator should elicit information about the fabrication that can be independently corroborated.

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