

CFE UPDATE
July-August 2008

Chapter Board of Officers

President: Joseph R. Dervaes, CFE, ACFE Fellow, CIA (253) 884-9303.
Vice-Chair of ACFE Foundation Board of Directors, 2003 Cressey Fraud Lifetime Achievement Award Winner, ACFE Fellow, Regent Emeritus, prior member of the Board of Review, Chapter Distinguished Achievement Award Winner for 1995, and ACFE 2007 Award Winner for Achievement in Community Outreach and Service, Association of Certified Fraud Examiners. Founding and Current President, Newsletter Editor, Librarian, and WebMaster; Pacific Northwest Chapter/ACFE.
joeandpeggydervaes@centurytel.net; Vaughn, Washington, Retired.

Vice-President and Training Director: Norman J. Gierlasinski, PhD, CFE, CPA, CIA. 2002 ACFE Outstanding Achievement in Anti-Fraud Education Award Winner, and the Chapter Distinguished Achievement Award Winner for 1996, Association of Certified Fraud Examiners. Vice President and Training Director; Pacific Northwest Chapter/ACFE. Professor of Accounting, Central Washington University (Des Moines Center) (206) 439-3800, Extension 3825. normang@cwu.edu; Des Moines, Washington.

Secretary-Treasurer: Roger B. Gulliver, CFE, CPA, CISA, CBA. The Chapter Distinguished Achievement Award Winner for 2000; Association of Certified Fraud Examiners. Secretary-Treasurer, Pacific Northwest Chapter/ACFE. President, Gulliver and Associates PS (253) 735-2392; rbg1@mindspring.com; Auburn, Washington.

Director-At-Large: Bernadette McBride, CFE, CPA. The Chapter Distinguished Achievement Award Winner for 2004; Association of Certified Fraud Examiners. Director-At-Large; Pacific Northwest Chapter/ACFE. Senior Investigator/Financial Examiner, Washington State Department of Financial Institutions (Securities Division), (360) 791-8824; bmcbride@dfi.wa.gov; Olympia, Washington.

Director-At-Large: Robert A. Goehring, CFE, CPA. The Chapter Distinguished Achievement Award Winner for 2005; Association of Certified Fraud Examiners. Director-At-Large; Pacific Northwest Chapter/ACFE. Audit Manager, City of Kent - Finance Department, (253) 856-5262; rgoehring@ci.kent.wa.us, Kent, Washington.

The Pacific Northwest Chapter was the ACFE's CFE Chapter of the Year Award Winner for 2006. What a magnificent achievement! Congratulations and thanks go to all who have played a part in helping to develop the Chapter over the years. Great job!

Be sure to mark the following calendar year 2008-2009 fraud training meetings on your personal schedule and plan to attend.

August 27, 2008 (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 topic for this fraud seminar is *Mortgage Fraud*, and the speaker will be Associate Member Melissa A. Huelsman, from the Seattle Law Offices of Melissa A. Huelsman, P.S.

October 20-21 2008 (Monday-Tuesday). Joint Chapter and Association of CFEs Fraud Training Classes at the Doubletree Hotel, 18740 International Boulevard; SeaTac (across the street from SeaTac International Airport), (206) 246-8600. There is an \$8 (estimated) 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 7:30 a.m. The class begins at 8:00 a.m. and ends at 4:25 p.m. each day. Register directly with the ACFE by calling 1-800-245-3321 (Austin, TX), or by accessing the Association=s web-site at www.ACFE.com. The class includes 16 hours of continuing professional education credit. You must contact the ACFE to actually register for this class. Ask for Ashlee Beck, Event Coordinator (abeck@ACFE.com).

The ACFE has provided the following registration fees for this 2008 class. The early registration cut-off date is September 20, 2008. Early registration fees are \$500 for members and \$600 for non-members. Normal registration fees are \$595 for members and \$695 for non-members after the early registration date has passed.

The title of the class is *Money Laundering: Tracing Illicit Funds*, and, the speaker will be Jonathan E. Turner, CFE, CII, from Wilson and Turner, Incorporated, Memphis, TN.

December 12, 2008 (Friday). Joint Chapter/WSCPA=s 12th Annual Fraud Conference at the WSCPA=s Training Facility; 902 – 140th Avenue N.E.; Bellevue, WA 98005-3480. **(Note: This is a change in location for the 2008 Conference to the WSCPA Training Facility as well as a change in dates from the first Friday to the second Friday in December.)** The registration fee for members of the WSCPA and the Pacific Northwest Chapter is \$210 and \$285 for non-members (estimated) for this conference. Registration and continental breakfast is at 7:30 a.m. The conference begins at 8:00 a.m. and ends at 5:00 p.m., with 9 hours of Continuing Professional Education credits available for those who attend the entire Conference. Register directly with the WSCPA by calling 1-800-272-8273 (Bellevue, WA). 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 Rachel Ingalls, Conference Administrator.

There will be four sessions at the annual fraud conference, each lasting approximately two hours. Confirmed speaker and topic information is as follows:

Session #1 (8:00 – 10:00 a.m.). Chapter President Joe Dervaes, CFE, ACFE Fellow, CIA will speak on the topic of *Understanding Employee Embezzlement in the Workplace*. Joe retired on July 31, 2006, after completing 42.5 years of federal, state, and local government audit and fraud examination service. He worked for the Air Force Audit Agency for 20 years and retired as a Lieutenant Colonel. He then worked 22.5 years for the Washington State Auditor's Office where he managed the agency's statewide Fraud Program. During his 20-year tenure as Audit Manager for Special Investigations, he participated in over 730 fraud cases involving losses of over \$13 million and spoke on a wide variety of fraud topics on a weekly basis throughout North America. This much requested and very popular speaker will discuss highlights from his life experiences dealing with employee embezzlement fraud in the workplace. Joe was the 2003 winner of the ACFE's coveted Donald R. Cressey Award for his lifetime achievements in fraud detection and deterrence. He was the 2007 winner of the ACFE's Outstanding Achievement in Community Service and Outreach. He is also the Vice-Chair of the ACFE Foundation's Board of Directors, an ACFE Fellow, ACFE Life Member, and President of the Pacific Northwest Chapter/ACFE, continuously serving on its Board of Officers since organizing the Chapter in March 1993.

Session #2 (10:00 a.m. – Noon). Chapter Member Marty Biegelman, CFE, ACFE Fellow, CCEP, will speak on the topic of: *My 35 Years as a Fraud Investigator: Lessons and Best Practices from the Frontlines*. Marty is the Director of the Financial Integrity Unit at Microsoft Corporation in Redmond. He is retired from the United States Postal Service. Marty is also a Member of the ACFE Foundation's Board of Directors, and an ACFE Fellow. He is also the 2008 winner of the ACFE's coveted Donald R. Cressey Award for his lifetime achievements in fraud detection and deterrence.

Session #3 (1:00-3:00 p.m.) Chapter Member Guido van Drunen, CFE, CA, CIA, will speak on the topic of: *Revenue Recognition and Payables Fraud - What are the Drivers: Who, What, When, Where, and Why*. Guido is a Director at KPMG in Seattle. He has been a speaker at ACFE annual fraud conferences in the past, and was also a speaker on travel fraud at the Chapter's 2007 annual fraud conference.

Session #4 (3:00-5:00 p.m.). Chapter Member John Tollefsen, CFE, JD, will speak on the topic of: *The False Claims Act*. John is the owner of Tollefsen law Office, PC. in Lynnwood. He previously prepared this fraud seminar for the ACFE's 2008 Annual Fraud Conference. However, he had a schedule conflict and was unable to make the presentation. He'll be making this presentation to us at the Chapter's annual fraud conference instead.

President Joe Dervaes and Vice-President Norm Gierlasinski will Co-Chair the Annual Fraud Conference.

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). Our host, the State of Washington Housing Finance Commission, controls the conference room where our meetings are held. Attendees should report directly to the training room on the 28th Floor of the building for these fraud seminars.

We meet at the training room promptly at 2:30 p.m., hold a 30 minute networking session at 3:30 p.m. in the middle of the class, and then complete all fraud seminars at 4:45 p.m. sharp. The Commission has asked us to depart the training room promptly because their duty day ends at 5:00 p.m. We appreciate using this fine training facility for our fraud seminars, and respectfully request everyone abide by the Commission's rules.

February 25, 2009 (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 topic for this fraud seminar is *The Foreign Corrupt Practices Act*, and the speaker will be Chapter Member Guido van Drunen, CFE, CA, CIA. Guido is a Director at KPMG in Seattle. He has been a speaker at ACFE annual fraud conferences in the past, as well as a speaker at the Chapter's annual fraud conferences.

April 29, 2009 (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 topic for this fraud seminar is *A Computer Fraud Case Study – Let's Go Fishing!*, and the speaker will be Chapter President Joe Dervaes, CFE, ACFE Fellow, CIA. Joe is the Vice Chair of the ACFE Foundation Board of Directors and was the 2003 winner of the ACFE's coveted Donald R. Cressey Award for his lifetime achievements in fraud detection and deterrence. He was also the 2007 winner of the ACFE's Outstanding Achievement in Community Service and Outreach. He has been a speaker at ACFE annual fraud conferences in the past, as well as a speaker at the Chapter's bi-monthly fraud seminars and annual fraud conferences.

June 24, 2009 (Wednesday) – Seattle.

July 13-15, 2009 (Main Conference) – Site Undecided – ACFE Annual Fraud Conference.

August 26, 2009 (Wednesday) – Seattle.

October __, 2009 – Joint CFE Chapter/ACFE Fraud Training Class (SeaTac).

December 4, 2009 (Friday) – Joint CFE Chapter/WSCPA (Bellevue)

(1) Links to ACFE and Chapters

The Board of Officers has identified the following CFE Chapter web-sites that may be useful to our Members. Here they are:

Association of Certified Fraud Examiners B www.ACFE.com

Pacific Northwest Chapter/ACFE B www.fraud-examiners.org

Oregon Chapter/ACFE B www.oregon-acfe.org

Spokane Chapter/ACFE B www.spokanefraud.org

Vancouver, B.C., Canada Chapter/ACFE B www.cfevancouver@yahoo.cca

(2) Additional Fraud Links

The Board of Officers provides the following additional links to its Chapter Members as a public service. Here are just a few of them:

Complaints about Internet Fraud may be filed with the Internet Fraud Complaint Center (www.ifcfbi.gov).

Complaints about e-mail and mail fraud may be filed with the U.S. Postal Inspection Service (www.usps.gov/postalinspectors). The primary use is for Nigerian (and other African countries) fraud e-mails or letters that are received. PS Form 8165 (Mail Fraud Report) lists many other uses as well. This form may be downloaded and then mailed to the U.S. Postal Inspection Service to file a complaint and submit the fraudulent document received. The mailing address is U.S. Postal Inspection Service, Inspection Service Support Group, 222 South Riverside Plaza, Suite 1250, Chicago, IL 60606-6100.

The U.S. Postal Inspection Service web-site lists additional links to The Chamber of Commerce and the Better Business Bureau (www.bbb.org), county or state Office of Consumer Affairs. In this state, that=s the Washington Attorney General=s Consumer Protection Division at www.wa.gov/ago, or nationally at www.naag.org. The Federal Trade Commission can be reached at www.ftc.gov.

Identity Theft links are at the Identity Theft Unit sponsored by the Washington State Patrol and the Washington State Department of Licensing at www.dol.wa.gov; www.idtheftcenter.org; www.consumersunion.org; and www.consumer.gov/idtheft.

John E. Reid and Associates, Inc. (Fraud Interview Training), Chicago, IL, www.reid.com. The Reid Preferred Group of Associations (RPGA) number for the Pacific Northwest Chapter/ACFE is A20-049. The RPGA number must be shown on the

registration form in order to receive a discount on seminar registrations or to purchase products. In joining the RPGA Discount Program, our Chapter has agreed to announce Reid Seminar dates and locations to our members by e-mail, an announcement in our chapter newsletter, and/or a notice on our chapter web page. The 2008 Reid Seminar fees are indicated below. *The standard fee for the 2008 Reid 3-Day Seminar is \$595 per person and \$795 for the full 4-Day Program. As a participant in the Reid Preferred Group of Associations your chapter members can attend the 3-Day Seminar for the reduced fee of \$440 per person - a savings of \$155 per person, or \$570 for the full 4-Day Program – a savings of \$225.* To ensure our members receive the discount to which they are entitled, they must at the time of registration (or when purchasing Reid training products) provide the Chapter's RPGA Association Code Number.

(3) ACFE Annual Fraud Conference and Exhibition

(a) Main Conference.

The ACFE's 19th Annual Fraud Conference and Exhibition in Boston, Massachusetts, during the period July 14-16, 2008, was a huge success. Approximately 2,100 fraud professionals gathered to network and learn more about their chosen field during the Conference. Vice President Norm Gierlasinski will bring us an report on the Chapter Representatives Meeting held on Sunday, July 13, 2008, in conjunction with the Conference in the next chapter newsletter. The 2009 Annual Fraud Conference will be held at the Bellagio Hotel in Las Vegas, NV during the period July 13-15, 2009.

(b) 2008 ACFE Cressey Award

The Cressey Award is the ACFE's highest honor. It is approved by the ACFE Board of Regents and bestowed annually for a lifetime of achievement in the detection and deterrence of fraud. This year the Cressey Award was presented to Marty Biegelman who has devoted 35 years of his life to the detection and prevention of fraud and advancing the fraud examination profession. He is a prolific author on the subjects of crime, fraud prevention, and corporate compliance. Mr. Biegelman is a Regent Emeritus, a Fellow of the ACFE, and serves on the Board of Directors for the ACFE Foundation. He is also a member of the Pacific Northwest Chapter/ACFE.

The photo which follows shows ACFE President Jim Ratley, CFE and also a Cressey Award Winner, making the presentation of the Cressey Award to Marty Biegelman at the 2008 Annual Fraud Conference in Boston, MA.



(c) 2008 ACFE Chapter of the Year Award

The Vancouver chapter was selected as the ACFE's Chapter of the Year for 2008. The Chapter is one of Canada's largest chapters, hosting the 14th Annual Canadian Fraud Conference. The chapter is very active within the community in its efforts to promote the ACFE, provide continuing professional development to anti-fraud professionals who are part of the ACFE as well as other organizations such as the local chapters of the Institute of Internal Auditors and the International Association of Financial Crime Investigators..

The photo which follows shows ACFE President Jim Ratley, CFE, making the presentation of the award to Chapter President, Colin Parcher, CFE, at the 2008 Annual Fraud Conference in Boston, MA.



(d) 2008 ACFE Foundation Silent Auction

Sponsored by the Board of Directors, the ACFE Foundation's Inaugural Silent Auction was a huge success story. Members from around the world participated in this event, both on-line and while attending the Annual Fraud Conference. The purpose of the Silent Auction is to raise additional funds for the student scholarship and fraud research programs sponsored by the ACFE Foundation, a private non-profit corporation associated with the Association of CFEs. The Silent Auction raised over \$20,000 for these purposes at the Annual Fraud Conference in Boston, MA in July 2008. The Silent Auction will be even bigger and better next year. The Board of Directors encourages all members of the ACFE to donate funds to the Ritchie-Jennings Memorial Scholarship Program every year and to participate in the Foundation's Annual Silent Auction held in conjunction with the ACFE's Annual Fraud Conference each year.

(4) Student Scholarship Program Awards

(a) Association of CFEs.

The Association of CFEs has officially announced the recipients of the 2008-2009 Ritchie Jennings Memorial Scholarship awards. These scholarships are in honor of Tracey Ritchie, CFE, and Larry Jennings, CFE, who both died in a terrorist attack in Pakistan on November 12, 1997. The winners were selected by the ACFE Foundation Scholarship Committee and approved by the ACFE Foundation Board of Directors at its annual meeting on July 13, 2008. Each recipient received a \$1,500 grant. The Foundation increased the amount of the scholarship award on a one-time basis for this year's program. So, the award winning students received a bonus. The Association will be sending each scholarship winner a check soon and will also be including information about the scholarship awards in the November/December 2008 issue of *Fraud Magazine*. Congratulations to the following scholarship award winners:

U.S. Scholarship Program: Mrs. Laura White, University of Washington (Tacoma Campus). She is a junior majoring in Accounting and plans to graduate in June 2009. She has achieved a 3.8 cumulative grade point average while attending classes at UW.

International Scholarship Program: Mr. Jun Young Lee, Central Washington University (Main Ellensburg Campus). He is an international student and a citizen of Korea. He is a junior majoring in Accounting and plans to graduate in June 2010. He has achieved a 3.8 cumulative grade point average while attending classes at CWU.

(b) Pacific Northwest Chapter/ACFE.

On June 25, 2008, the Chapter officially announced the recipients of its 2008 Student Scholarship awards. The winners were selected by the Scholarship Committee, accepted by the Board of Officers, and approved by the membership at its annual business

meeting. Each recipient received a \$500 grant. The Chapter will be sending each scholarship winner a check soon. Congratulations to the following scholarship award winners:

Mr. Daniel Thorson, Saint Martin's University (Main Lacey Campus). He is a senior majoring in Accounting and plans to graduate in May 2009. He has achieved a 3.7 cumulative grade point average while attending classes at Saint Martin's University.

Mr. Jesse Nord, Seattle University (Main Campus). He is a junior majoring in Accounting and minoring in Economics and plans to graduate in June 2010. He has achieved a 3.3 cumulative grade point average while attending classes at Seattle University.

These outstanding students are most deserving of these scholarship awards and make a fantastic statement about the quality of the students who attend our fine educational institutions in the Pacific Northwest. Congratulations again!

(5) Minutes from the June 25, 2008, Chapter Board of Officers Meeting

(a) President Joe Dervaes called the semi-annual meeting for June 25, 2008, to order at 10:00 a.m. at the MacDonaldds Restaurant in Tukwila near our training site for the day. Present were Board of Officer members: Joe Dervaes, Norm Gierlasinski; Roger Gulliver; and, Robert Goehring. Bernadette McBride was absent due to a work commitment.

(b) The Board approved the Board of Officer meeting minutes for the semi-annual meeting held in Seattle on February 27, 2008. There was no outstanding business from any prior Board meetings.

(c) Elections will be held at the Annual Business Meeting today at the Bahama Breeze Restaurant, SouthCenter Mall, Tukwila. At its February 27, 2008, meeting, all current members of the Chapter Board of Officers agreed to remain in office in their positions of leadership and seek another two-year term of service to the membership (July 1, 2008 – June 30, 2010). No other Chapter members requested to be considered for a position on the Board of Officers this year. Accordingly, the Chapter Nominating Committee (Morgan Jacobson, Cliff Whipple, and Kent Hansen) proposed the current members of the Board of Officers as a slate of officers to the Membership for election at the annual luncheon business meeting. The candidates for Board of Officer positions are: Joe Dervaes, President; Norm Gierlasinski, Vice-President; Roger Gulliver, Secretary-Treasurer; Bernadette McBride, Director-At-Large; and, Robert Goehring, Director-At Large. Informational item only. No action necessary.

(d) The Board of Officers sponsored three exceptional students in the Chapter and Association 2008 scholarship programs. The Chapter provided CFE reference letters to the ACFE for two students in the U.S. scholarship program (Laura While, University of

Washington (Tacoma Campus) – Primary Candidate; and Jesse Nord, Seattle University – Alternate Candidate) and one student in the Worldwide scholarship program (Jun Young Lee, Central Washington University (Ellensburg Campus – Primary Candidate). There are sufficient funds in the Chapter treasury for all of our activities and the scholarship program. The Board of Officers unanimously voted to authorize Treasurer Roger Gulliver to pay for the award of up to two student scholarships of \$500 each by check in 2008, send them to President Joe Dervaes for subsequent distribution, and authorize President Joe Dervaes to send a letter to the students announcing the scholarship awards. President Joe Dervaes will advise all board Members of the scholarship award winners before taking any action. (Note: A fourth student made an application for the Chapter’s scholarship after the deadline for applications had passed. The student is Daniel Thorson, and he is a senior at Saint Martins University in Olympia. His application will be included in the scholarship program this year only if there is a opening after all other students have been considered.)

(e) The Board approved the 2008 Chapter Action Plan and 2008 Chapter Management Plan Self Evaluation. These documents establish the Chapter’s goals and objectives for calendar year 2008 and evaluate the Chapter’s actual operations during the prior year. President Joe Dervaes submitted these documents to ACFE, as required. Informational item only. No action necessary.

(f) The Board of Officers has identified speakers and topics for the remainder of the Chapter’s calendar year 2008 training schedule and for the February and April 2009 fraud seminars as well. Special thanks go to the Board of Officers for their hard work in finding speakers and fraud topics to support the Chapter’s fraud training mission. Informational item only. No action necessary.

(g) The Chapter is financially healthy and able to support all of our planned activities for the coming fiscal year. Informational item only. No action necessary.

(h) The Chapter’s web-site (www.fraud-examiners.org) is currently under construction. President Joe Dervaes and Members Chris Brown and Julie Bollerud are going to work on this project in the coming months. All necessary files for the web-site have either been created or updated at this point. The next step is to upload the information to the existing or revised web-site. Informational item only. No action needed.

(i) President Joe Dervaes nominated Dr. Bob Holtfreter, Central Washington University Professor of Accounting, to receive the ACFE’s 2008 Award for Outstanding Achievement in Outreach and Community Service. If Dr. Holtfreter is selected as the winner of this award, he should attend the Annual Fraud conference to receive the award. Our Chapter has previously underwritten travel expenses for award recipients in the past for all other ACFE award winners. The Chapter Board of Officers authorized Treasurer Roger Gulliver to pay not more than \$500 to Dr. Holtfreter towards his expenses to attend the Annual Fraud Conference in Boston, MA (July 14-16, 2008) to receive the award in the event he is declared a winner. (Note: Dr. Holtfreter did not receive this award and no funds were disbursed for this purpose.) Informational item only. No action necessary.

(j) Responding to a call for support of the ACFE Silent Auction to be held in conjunction with the July 2008 Annual Fraud Conference, or for other donations to the ACFE Foundation's student scholarship program, the Board of Officers voted unanimously to approve Treasurer Roger Gulliver to send a \$200 donation to the ACFE Foundation for the student scholarship program. (Note:

(k) Due to a change in procedures, our Annual Recertification Report on overall Chapter operations is due to the ACFE after the close of the Chapter's fiscal year (i.e.; June 30, 2008). Treasurer Roger Gulliver will send the Chapter's financial statements to President Joe Dervaes as soon as the year-end financial information is available. President Joe Dervaes will then send the report to ACFE as required. Informational item only. No action necessary.

(l) The semi-annual Board meeting was adjourned at 11:20 a.m. on June 25, 2008, by President Joe Dervaes, and the Members then attended the annual luncheon business meeting and fraud training seminar at Noon at the Bahama Breeze Restaurant in Tukwila.

(6) Minutes from the June 25, 2008, Chapter Annual Business Meeting

(a) President Joe Dervaes called the annual business meeting for June 25, 2008, to order at 12:45 p.m. at the Bahama Breeze Restaurant in Tukwila. There was no outstanding business from the prior Annual Business Meeting on June 27, 2007, or from the Semi-Annual Board of Officers Meetings held on February 27, 2008, or June 25, 2008.

(b) Elections will be held today. At its February 27, 2008, meeting, all current members of the Chapter Board of Officers agreed to remain in office in their positions of leadership and seek another two-year term of service to the membership (July 1, 2008 – June 30, 2010). No other Chapter members requested to be considered for a position on the Board of Officers this year. Accordingly, the Chapter Nominating Committee (Morgan Jacobson, Cliff Whipple, and Kent Hansen) proposed the current members of the Board of Officers as a slate of officers to the Membership for election at the annual luncheon business meeting. The candidates for Board of Officer positions are: Joe Dervaes, President; Norm Gierlasinski, Vice-President; Roger Gulliver, Secretary-Treasurer; Bernadette McBride, Director-At-Large; and, Robert Goehring, Director-At Large. President Joe Dervaes distributed ballots for the election to all those present who did not previously mail their ballot to the Chapter or bring their ballot to the meeting, and a brief time was allocated for members to vote. President Joe Dervaes appointed two Chapter members to the Elections Committee as follows: Sharon Sandler and Jim Tyrrell. The committee reported that the vote was unanimous for the current slate of individuals for the Chapter Board of Officers. The new Chapter Board of Officers and their positions are as follows: Joe Dervaes, President; Norm Gierlasinski, Vice-President; Roger Gulliver, Secretary-Treasurer; Bernadette McBride, Director-At-Large; and, Robert Goehring, Director-At Large.

(c) The Board of Officers reported the following major items of business to the Membership. All are informational items only. No action is necessary.

(1) Vice-President Norm Gierlasinski will be our Chapter Representative for the annual meeting held in conjunction with the 19th Annual Fraud Conference and Exhibition in Boston, MA on July 13, 2008. The Chapter will pay not more than \$500 towards his expenses while attending the Conference. He will prepare a report of the meeting after the Conference that will be published in a future Chapter newsletter.

(2) The Board of Officers unanimously voted to authorize President Joe Dervaes to register the Chapter as a supporter of National Fraud Awareness Week (www.FraudWeek.com). The kick-off for this event will be at the ACFE's 19th Annual Fraud Conference and Exhibition held in Boston, MA (July 13-18, 2008).

(3) Dr. Bob Holtfreter, Central Washington University Professor of Accounting, was nominated to receive the ACFE's 2008 Award for Outstanding Achievement in Outreach and Community Service. If Dr. Holtfreter is selected as the winner of this award, he should attend the Annual Fraud conference to receive the award. Our Chapter has previously underwritten travel expenses for award recipients in the past for all other ACFE award winners. The Chapter Board of Officers unanimously voted to authorize Treasurer Roger Gulliver to pay not more than \$500 to Dr. Holtfreter towards his expenses to attend the Annual Fraud Conference in Boston, MA (July 14-16, 2008) to receive this award in the event he is declared a winner. (Note: Dr. Holtfreter did not receive this award and no funds were disbursed for this purpose.)

(4) The annual joint Chapter/ACFE fraud training class will be held October 20-21, 2008, at the SeaTac DoubleTree Inn Hotel. The topic of the class will be "Money Laundering: Tracing Illicit Funds". The instructor for this class has not yet been identified by ACFE. The Chapter will receive three free registrations to the class, two for assistance with registration duties, and one complimentary from the ACFE as in prior years. President Joe Dervaes will also attend at no cost because of his duties on the ACFE Foundation Board of Directors. Four members of the Board of Officers indicated that they plan to attend this ACFE class. The Board of Officers unanimously voted to authorize Treasurer Roger Gulliver to pay for the registration fee for any other member of the Board of Officers who wishes to attend this class (maximum of one). This is a benefit to these individuals for their service on the Chapter Board of Officers during the year.

The Association will provide breakfast pastries and mid-morning and mid-afternoon refreshments for this training class. The Association will provide lunch only on the first day of the class. Attendees will be on their own for lunch for the second day of the two-day training class. The Board of Officers unanimously voted to authorize Treasurer Roger Gulliver to pay for luncheon expenses for Chapter Members who attend this training class on the day when ACFE does not provide this service (the lunch on day two of the class), as we have done in past years.

(5) The joint Chapter/WSCPA Annual Fraud Conference is scheduled for Friday, December 12, 2008, at the WSCPA's main offices and training facility in Bellevue. Maximum occupancy of the training room for the conference is 100 people. So, early registration is recommended. The estimated registration fee for the 2008 conference is \$285. President Joe Dervaes and Vice-President Norm Gierlasinski will be the Co-Chairs and will attend the Conference at no cost. The Board of Officers voted unanimously to authorize Treasurer Roger Gulliver to pay for the registration fees of any other members of the Board of Officers who wish to attend the Conference (maximum of three). This is a benefit to these individuals for their service on the Chapter Board of Officers during the year.

Based upon the Chapter's desire to increase its revenue from the annual fraud conference, the Board has renegotiated the financial arrangements for the 2008 annual fraud conference with the WSCPA. The Chapter will receive \$10 per attendee as overhead costs associated with identifying speakers and fraud topics for the conference. The WSCPA also received overhead costs as well. If there are any additional funds remaining after all expenses have been considered, the WSCPA and Chapter will share these funds proportionally based on CPA or CFE participation as we have done in prior years. The Chapter received \$-0- in revenue from the 2007 conference. This revision will increase the Chapter's revenue from the annual fraud conference so that we can better support our annual Chapter student scholarship program. Our goal is to increase revenue by as much as \$1,000 per year.

(6) The Board approved the 2008 Chapter Action Plan and 2008 Chapter Management Plan Self Evaluation. These documents establish the Chapter's goals and objectives for calendar year 2008 and evaluate the Chapter's actual operations during the prior year. These important Chapter documents have been submitted to ACFE, as required.

(7) The Board of Officers has identified speakers and topics for the remainder of the Chapter's calendar year 2008 training schedule and for the February and April 2009 fraud seminars as well. Please thank the Board of Officers for their hard work in finding speakers and fraud topics to support the Chapter's fraud training mission.

(8) The Chapter is financially healthy and able to support all of our planned activities for the coming fiscal year.

(9) The Chapter's web-site (www.fraud-examiners.org) is currently under construction. President Joe Dervaes and Members Chris Brown and Julie Bollerud are going to work on this project in the coming months. All necessary files for the web-site have either been created or updated at this point. The next step is to upload the information to the existing or revised web-site.

(d) The Board of Officers reported the following major items of business for action by the Membership.

(1) The Chapter Board of Officers has selected Member Morgan (Jake) Jacobson, Treasurer at the City of Tacoma, as the Chapter's Distinguished Achievement Award winner for 2008. Jake has been a strong supporter of all our Chapter activities in the past as well as a faithful attendee at our fraud training seminars and conferences. President Joe Dervaes will submit the nomination package to ACFE in Fall 2008. A motion and second were made to approve Morgan Jacobson as the Chapter's 2008 Distinguished Achievement Award winner as recommended by the Board of Officers. The motion was passed with a unanimous voice vote.

(2) The Board of Officers sponsored three exceptional students in the Chapter and Association 2008 scholarship programs. The Chapter provided CFE reference letters to the ACFE for two students in the U.S. scholarship program (Laura While, University of Washington (Tacoma Campus) – Primary Candidate; and Jesse Nord, Seattle University – Alternate Candidate) and one student in the Worldwide scholarship program (Jun Young Lee, Central Washington University (Ellensburg Campus – Primary Candidate). There are sufficient funds in the Chapter treasury for all of our activities and the scholarship program. The Board of Officers approved Treasurer Roger Gulliver to pay for the award of up to two student scholarships of \$500 each in 2008. A motion and second were made to approve the disbursement of at least two student scholarships of \$500 each in 2008 as recommended by the Board of Officers. The motion was passed with a unanimous voice vote. (Note: A fourth student made an application for the Chapter's scholarship after the deadline for applications had passed. The student is Daniel Thorson, and he is a senior at Saint Martins University in Olympia. His application will be included in the scholarship program this year only if there is a opening after all other students have been considered.)

(3) Responding to a call for support of the ACFE Silent Auction to be held in conjunction with the July 2008 Annual Fraud Conference, or for other donations to the ACFE Foundation's student scholarship program, the Board of Officers voted unanimously to approve Treasurer Roger Gulliver to send a \$200 donation to the ACFE Foundation for the student scholarship program. A motion and second were made to approve the disbursement of \$200 to the ACFE Foundation for the student scholarship program as recommended by the Board of Officers. The motion was passed with a unanimous voice vote.

(e) A drawing was held to select the winners of the five door prizes authorized by the Board of Officers to be awarded at this annual business meeting. Each prize is a \$25 gift certificate to a local book store. The winners of the five door prizes were as follows: Julie Bollerud, Chris Brown, Jim Tyrrell, Pete Miller, and Ann Spargo.

(f) The annual business meeting was adjourned at 1:00 p.m. by President Joe Dervaes, and the Members then attended the fraud training seminar on Payday Lending – A Regulatory Update presented by Rick St. Onge from the Washington State Department of Financial Institutions at the Bahama Breeze Restaurant in Tukwila. President Joe Dervaes introduced the speaker.

(7) Additional Training Opportunities

(a) ACFE Course Offerings.

Advanced Fraud Examination Techniques, September 8-10, 2008, Omni Hotel, Austin, Texas. The ACFE contact point is Dianne Lloyd, Marketing Specialist, Events, by phone at 1-800-245-3321, or at the web-site www.ACFE.com.

(b) Oregon Chapter/ACFE Course Offerings

Oregon Chapter/ACFE. August 11-12, 2008. Professional Interviewing Skills. DoubleTree Lloyd Center. Portland, OR. Contact either the ACFE at www.ACFE.com or the Oregon Chapter/ACFE at www.oregon-acfe-org for registration details.

Oregon Chapter/ACFE. September 12, 2008. Mortgage Fraud. Northwest Natural. Portland, OR. Contact either the ACFE at www.ACFE.com or the Oregon Chapter/ACFE at www.oregon-acfe-org for registration details.

(c) John E. Reid and Associates. July 29 – August 1, 2008, The Reid Techniques of Interviewing and Interrogation, Lynnwood Convention Center, Lynwood, WA. This will be a 3-day Interview and Interrogation Seminar followed by a 1-day Advanced Course. The registration fee for the 3-day seminar is \$595 per person and \$795 for the full 4-day program. Our CFE Chapter participates in the Reid Preferred Group of Associations. Members receive a discounted registration fee of \$440 per person for the 3-day seminar and \$570 per person for the full 4-day program. The contact point at John E. Reid and Associates is Janet J. Finnerty, Seminar Department, by phone at 1-800-255-5747, extension 24 or by the web-site at www.reid.com. The Reid Preferred Group of Associations (RPGA) number for the Pacific Northwest Chapter/ACFE is A20-049. The RPGA number must be shown on the registration form in order to receive a discount on seminar registrations or to purchase products.

(d) International Association of Financial Crime Investigators. Annual Conference. August 25-29, 2008, Renaissance Hollywood Hotel, Hollywood, CA. Contact the course sponsor at www.iafci.org for additional registration details.

(e) WSCPA/CFMA. 2008 Joint Pacific Northwest Construction Industry Conference. Thursday, September 25, 2008, at the Bell Harbor International Conference Center in Seattle. Contact the WSCPA at www.wscpa.org for additional registration details.

(f) Spokane Chapter/ACFE. Annual Conference. November 13-14, 2008 from 8:00 a.m. – 4:30 p.m. each day for 16 hours of fraud continuing professional education. Spokane Community College Lair Student Center. Pacific Northwest Chapter/ACFE President Joe Dervaes will be a speaker at the conference this year. Contact the course sponsor at www.spokane-fraud.org for additional registration details.

**PACIFIC NORTHWEST CHAPTER
ASSOCIATION OF CERTIFIED FRAUD EXAMINERS
(August 27, 2008)**

SPEAKER: Melissa A. Huelsman-Owner, Seattle Law Offices of Melissa A. Huelsman, P.S.

Melissa Huelsman is the owner of a Seattle Law Office and an Associate Member of the Pacific Northwest Chapter/ACFE. She is admitted to practice in Washington and California (inactive) before the United States District Courts in both states, the United States Court of Appeals for the Ninth Circuit, actively practices in the United States Bankruptcy Court, and is a member of the National Association of Consumer Advocates. She was named the 2006 King County Bar Association's Pro Bono Lawyer of the Year, a Volunteer of the Year by Volunteer Legal Services, and has received an Unsung Heroes Award from the Urban League of Seattle/Metropolitan King County.

Melissa is a frequent speaker at meetings at numerous legal organizations in the state of Washington on topics in her primary areas of expertise. She received her Juris Doctorate from Southwestern University of law in Los Angeles, CA. She also received her Bachelor's Degree in English from California State University at Fullerton.

SEMINAR DESCRIPTION: Mortgage Fraud

The speaker will discuss the topic of Mortgage Fraud and her life experiences in the primary areas of her law practice where she deals with civil litigation in the areas of predatory lending, mortgage loan servicing, mortgage and real estate fraud, and foreclosure rescue scams. Attend this session to learn more about things that have been happening around us every day in the housing crisis as well as what the future might bring our way.

DATE: August 27, 2008 **TIME:** 2:30 B 4:45 p.m. **CPE:** Two Hours CPE Credit

Location of Training Facility and Parking: 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). If you're looking for parking, Special Events parking rates (\$6) apply for the parking garage at Benaroya Hall, just two blocks north of the training facility on Second Avenue.

Important Fraud Training Meeting Information for the Downtown Seattle Location is Included in the Bi-Monthly Chapter Newsletter.

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

SEMINAR REGISTRATION FORM (August 27, 2008 B 2:30-4:45 p.m.)

NAME: _____

TITLE: _____

PHONE: _____ FAX: _____

EMPLOYER: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

Please mail registration form with \$20 check for members or \$25 for non-members to: Pacific Northwest Chapter/ACFE; P. O. Box 215; Auburn, WA 98071-0215. Or, bring your registration form and payment to the Seminar for processing.

SPEAKER: Melissa A. Huelsman-Owner, Seattle Law Offices of Melissa A. Huelsman, P.S.

Melissa Huelsman is the owner of a Seattle Law Office and an Associate Member of the Pacific Northwest Chapter/ACFE. She is admitted to practice in Washington and California (inactive) before the United States District Courts in both states, the United States Court of Appeals for the Ninth Circuit, actively practices in the United States Bankruptcy Court, and is a member of the National Association of Consumer Advocates. She was named the 2006 King County Bar Association's Pro Bono Lawyer of the Year, a Volunteer of the Year by Volunteer Legal Services, and has received an Unsung Heroes Award from the Urban League of Seattle/Metropolitan King County.

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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 Fraud Training Meeting Information for the Downtown Seattle Location is Included in the Bi-Monthly Chapter Newsletter. Check out our web-site at: www.fraud-examiners.org