

# The Fraud Examiner



ACFE<sup>SM</sup>

Association of Certified Fraud Examiners

## Inside this issue:

PNW Chapter Training Events	2-3
ACFE Announcements	4
Ways to Complete New Ethics Training	4
CPE Compliance for CFEs	4
The Tidbit	5, 7
News from the Trenches	6
John Reid Other Training	6
Chapter Members in the News	7
Member CSAR Certification	8
Board of Regents Application	8
New CFE Examination Preparatory Course	8
Law Enforcement Partnership	9
2011 ACFE Chapter Awards	9
Member Spotlight	9
Chapter Representatives Meeting Report (Part One)	10-12
Other ACFE and Chapter Training	13
Chapter Board of Officers	13

## July/August 2011 Issue

### Message from the President

**Notice of Fraud Seminar Cancellation.** The bi-monthly Chapter fraud seminar training event originally scheduled to be held at the Washington State Housing Finance Commission's offices on the 28th Floor of the old Key Towers Building in downtown Seattle on the second Wednesday of August (August 10, 2011) has been cancelled. The Chapter Board of Officers has replaced this training event with a special one-day fraud class to be held on Friday, August 12, 2011, at the WSCPA's main headquarters and training facility in Bellevue, WA. We have arranged for Joseph Buckley, President of Reid and Associates in Chicago, IL to speak on the topic of "The Reid Technique of Interviewing and Interrogation". There are eight hours of Continuing Professional Education credit available to all who attend this event. The Chapter will be jointly sponsoring this fraud class with the WSCPA using the same procedures we use for the Annual Fraud Conference. Therefore, registration for this event is directly through the WSCPA. See additional details about this special fraud class on page two of this newsletter. In addition, a special e-mail flyer was recently sent to all Chapter members providing additional details about this event. Your Chapter Board of Officers has worked extremely hard to make this member-requested training class a reality. So, please put this fraud class on your training calendar and plan to attend. We look forward to seeing you there.

**The ACFE's Annual Fraud Conference.** The 22nd Annual Fraud Conference was held in at the Convention Center in San Diego, CA during the period June 12-17, 2011. It was a huge success setting a new milestone in ACFE history. There were about 2,300 people in attendance, the largest number ever recorded. The following Chapter members were present: Peter Tobin, Chapter Director-at-Large Julie Armbrust, Chapter Training Director Dr. Norm Gierlasinski, Ron Sells, John Tollefsen, Gayle Seyl, Jennifer Sims, Ted Carlson, and Linda Kaye. In addition, the following Chapter members were speakers or session moderators at the Conference: Chapter President Joe Dervaes, Chapter ex-President Linda Saunders, Guido van Drunen, and Marty Biegelman. Chapter President Joe Dervaes also carried the ACFE flag in the opening ceremonies of the Conference. Chapter Board of Officers Director-at-Large Julie Armbrust served as a member of the Chapter Awards Committee for 2011, helping select the special award winners who were announced during the General Sessions at the Conference. In addition, the ACFE Foundation Board of Directors selected Julie as a member of its Scholarship Committee for a three-year term, replacing Chapter Training Director Dr. Norm Gierlasinski who completed five years of service in this important position. The Pacific Northwest Chapter/ACFE was well represented at this event. I think that's great. Congratulations!

### Upcoming Training

**Type:**  
Special Bi-Monthly Joint Chapter and WSCPA Fraud Interviewing Class.

**Date:**  
August 12, 2011 (second Friday).

**Time:**  
8:00 a.m.—4:00 p.m.

**Topic:**  
“The Reid Technique of Interviewing and Interrogation”.

**Speaker:**  
Joseph P. Buckley, III, President of John E. Reid and Associates, Chicago, IL.

**Where:**  
WSCPA's Learning Center and Main Headquarters, 902 — 140th Avenue, N.E., Bellevue, WA.

**Price:**  
The fee for this special class is \$225 for Members of the Chapter and the WSCPA and \$300 for Non-Members. Student members will be required to pay the member fee of \$225.

**Registration:**  
Register for this special class directly with the WSCPA at [www.wscpa.org](http://www.wscpa.org) or call the WSCPA at 1-800-272-8273. CPA's may register on-line. If you are not a member of the WSCPA, you must register by telephone. Pre-registration for this class is required.

## August 12, 2011 Joint Chapter and WSCPA Fraud Interviewing Class

August 12, 2011, (second Friday) is the date of a special one-day fraud interviewing class the Chapter will jointly sponsor with the WSCPA. The event will be held at the WSCPA's main headquarters building and learning center, 902 — 140th Avenue N.E., in Bellevue, WA.

There are 8 hours of Continuing Professional Education available to all who attend this event.

The cost of this special one-day training class is \$225 for Members of the Chapter and the WSCPA and \$300 for non-Members. Student members may not attend this event at no cost.

The Co-Chairs for this all day event are Chapter President Joe Dervaes and Chapter Training Director Dr. Norm Gierlasinski.

Similar to the Annual Fraud Conference, registration for this event is directly with the WSCPA at [www.wscpa.org](http://www.wscpa.org). There is a Chapter/WSCPA member discount for this training class. To receive this discount, CPA members may register on-line by using the WSCPA's web-site; but, CFE Members who are not also CPAs must call the WSCPA at 1-800-272-8273 in order to register and receive the member discount.

The topic of this one-day fraud

class is: “The Reid Technique of Interviewing and Interrogation”. It will include the areas of behavior symptom analysis, the behavior analysis interview, and a brief overview and introduction to The Reid Nine Steps of Interrogation.

The speaker will be the president of John E. Reid and Associates (Chicago, IL), Joseph P. Buckley, III. He is a recognized authority in this subject matter area, as well as an experienced forensic interviewer and detection of deception examiner.

Plan ahead to ensure you're able to take advantage of this opportunity and attend this exceptional training event.

---

## Overview of October 17-18, 2011 Joint Chapter and ACFE Fraud Class

October 17-18, 2011, are the dates of our joint Chapter and ACFE Annual Fraud Class. This event will be held at the DoubleTree Hotel, 18740 International Boulevard (across the street from the airport), SeaTac, WA.

The title of this two-day class is: “Auditing for Internal Fraud”.

There are 16 hours of Continuing Professional Education available to all who attend this fraud class.

The course leader is Allen F. Brown.

Registration for this fraud class is directly with the ACFE. To register, contact the ACFE at 1-800-245-3321, or at

[www.ACFE.com](http://www.ACFE.com). The estimated cost of this class is \$695 for ACFE Members and \$845 for non-members. There is also an early registration option which saves attendees \$95 each. Contact the ACFE for additional details and registration procedures.

This fraud class includes the following segments:

Introduction to Auditing for Fraud; Auditors Fraud Responsibilities; Where Were the Auditors?; Fraud Risk Assessment; Fraud Brainstorming: Setting the Stage for Audit; Financial Statement Fraud and Corruption; Asset Misappropriations; Video Tape on Finding the Truth: Effective Techniques for Interview and Communication; Find-

ing Fraud During the Audit; and Prevention of Occupational Fraud.

There is an \$8 daily parking fee at the hotel. So, car pooling is recommended. The hotel places a parking validation machine in the training room for our use to obtain the discounted parking fee. So, bring your parking stub with you to the class (instead of leaving it on the dash board of your car). Then, pay the parking fee at the first floor designated kiosk in the hotel lobby. After that, your validated and paid parking stub gets you out of the parking facility at the end of the day.

The Chapter Board of Officers will assist with registration.

## Highlights of the Chapter's Annual Luncheon Business Meeting and Fraud Seminar on June 8, 2011

June 8, 2011 (second Wednesday), was the date of our Annual Luncheon Business Meeting and Fraud Seminar held at Noon in the Bahama Breeze Restaurant at the intersection of I-5 and I-405 in the Northeast corner of the SouthCenter Mall in Tukwila, WA.

This meeting began with a luncheon where members were able to order from a variety of menu selections offered by the restaurant especially for our meeting. **The cost of the luncheon was \$10 for members and \$15 for non-members.** One new Student Member attended this event.

The luncheon was followed by a brief Chapter Annual Business Meeting where the Board of Officers kept everyone informed about our fraud training mission and other Chapter activities. The membership voted to approve the minutes of the 2010 meeting; to award the 2011 ACFE Distinguished Achievement Award to Chapter Member John J. Tollefsen, founder of Tollefsen Law PLLC in Lynnwood; and, to revise the Chapter Scholarship Program while implementing a new Chapter Incentive Program for new CFEs. Door prizes of \$25 gift certificates to a local book store were awarded to the following: Susan Davis, Steve Miller, Bernadette McBride, Norm Gierlasinski, and Chris Brown.

The topic of the presentation for this meeting was "The ACFE Ethics Program for CFE Professionals".

The speaker for one hour of free fraud-related Continuing

Professional Education was Joe Dervaes, Chapter President and Chairman of the ACFE Foundation Board of Directors. He has served on this Board for six and one-half years.

He previously served the ACFE and its members on the Board of Regents for four years, including three years as its Chairman. He is now a Regent Emeritus and an ACFE Fellow.

He also served the ACFE and its members as a member of the Board of Review. He helped to deliberate several of the most complex ethics violation cases in ACFE history during his two years on the Board. The Board of Review is responsible for reviewing all complaints about violations of the ACFE's Code of Professional Conduct and for recommending appropriate disciplinary action against members when necessary.

The speaker discussed his life experiences on the Board of Review, and then covered important aspects of the ACFE's Code of Professional Conduct and how they apply to Certified Fraud Examiners today. This was a very informative discussion of the ACFE's policies and procedures for processing claims of violations of the ACFE Code of Professional Conduct by its members.

The speaker retired after 42.5 years of federal, state, and local government audit service on July 31, 2006. He is very active in the Association of Certified Fraud Examiners. In 1995, he received the Distinguished Achievement Award. In 2003, he received the coveted Donald R. Cressey Award for his lifetime contributions to fraud

detection, deterrence, and education. This is the top fraud award in the world and is similar to the Pulitzer Prize in the field of Journalism. Joe is one of the three rank and file members of the Association that have ever been granted this prestigious award. In 2004, the membership elected him to the ACFE Foundation Board of Directors, one of the highest positions any CFE may hold in the profession, where he now serves as Chairman. Recognizing his volunteerism and community service contributions, Joe received the 2007 Outstanding Achievement in Community Service and Outreach Award. In 2009, he received a Superior Service Award as one of four CFEs who have attended the first 20 ACFE Annual Fraud Conferences. In 2010, he received a Certificate of Appreciation for his long-term contributions to the ACFE's Fraud Common Body of Knowledge as an author of a By-Line Column on Frauds Finer Points in *Fraud Magazine*.

The ACFE now requires two hours of "ethics" training every year. And, this meeting was a good way for everyone to obtain at least one hour of Continuing Professional Education in this important area.

Other ways to obtain ethics training from the ACFE include its on-line self study courses and break-out sessions at the 22nd Annual Fraud Conference and Exhibition in San Diego, CA.

The annual luncheon business meeting and chapter fraud seminar is one of our best attended meetings of the year.

### New Chapter Members

Please welcome the new members who joined the Chapter during the period mid-May 2011 to mid-July 2011:

#### CFEs:

- Steven Graham

#### Associates:

- Irene Larkin
- Marc Stepper

#### Affiliates:

- <None>

#### Students:

- Alan Kim

### New CFEs:

- <None>

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

## ACFE Announcements

“With your call, the bad guys fall.”  
-John Walsh, Host of America’s Most Wanted

(1) After its 20th Anniversary, the ACFE has provided a free webinar exclusively for ACFE members entitled “Using the Report to the Nation to Enhance Your Anti-Fraud Efforts”.

(2) Use the new Fraud Risk Assessment Tool to assist your organization in identifying fraud risks and developing a fraud risk response.

(3) Visit the ACFE’s Online Communities (Anti-Fraud Technology and Financial Institutions) to connect with other ACFE members, access shared documents, and blog or participate in discussion forums.

(4) Enroll in Auto Dues Service and receive a 5% discount in addition to saving

time by setting up your membership dues to be paid automatically each year.

Visit ACFE’s web-site ([www.ACFE.com](http://www.ACFE.com)) to find out additional information about these topics. All you have to do is click on “fraud resources” on the home page and follow the prompts.

-Renew Membership and report CPE at the same time

The ACFE offers some ethics-related on-line self study courses to help members satisfy the new CPE requirement of 2 hours of ethics. They are: Ethical Theory for Fraud Examiners; and, Practical Ethics for Fraud Examiners.

Additionally, CFE s may use ethics CPE obtained to satisfy their CPA license if the training falls within one of the following

categories: (1) Regulatory Ethics; (2) Behavioral Ethics; or, (3) Professional Ethics.

Some ACFE courses may be counted toward both fraud-related and ethics-related CPE requirements, such as: Ethics for Fraud Examiners; and, ACFE Code of Professional Ethics.

Read more about ACFE CPE

requirements at: <http://www.ACFE.com/career/maintaining-cfe.asp>. 2011 CPE reporting requires all ACFE Members to complete 20 hours of training, two hours of which must be in the area of “ethics” and 10 hours of which must be in fraud-related areas. Certify CPE when renewing ACFE membership.

-20 CPE required, 10 of which must be fraud related, and 2 of which must be ethics  
  
-10 hours can be carried over every 12 months

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

You are required to earn 20 hours of CPE from January 1, 2011 through December 31, 2011, **10 of which must be fraud related, and 2 of which must be on ethics.**

If a CFE has earned more than 20 CPE hour of CPE in 2010, they may carry forward up to 10 of these extra hours to meet their 2011 CPE requirements.

Now you can find all your CPE information in one convenient place. Browse the [My CPE](#) for information and updates on:

- How CPE Works
- CPE Changes from Year to Year

-Maintaining CPE Records / CPE Audit  
You may access the [My CPE](#) from your [My Account](#) section or at [ACFE.com/CPE](http://ACFE.com/CPE).

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

## CPE Compliance for Certified Fraud Examiners

## The Tidbit: Scam Alerts — No. 1: Skip This Shopping Spree; No. 2: How to Protect Your Identity When Your Cards Go Missing; No. 3: What Should I Shred and When?

**Scam No. 1.** This information was paraphrased from the July-August 2010 AARP Bulletin, by Sid Kirchheimer.

So you think you can collect a juicy fee from your state government for a few hours of shopping at the mall? Sorry, but that's not how your tax dollars are really spent.

Trash that \$3,400 check from the Tennessee Department of Labor and Workforce Development. It may look like an authentic unemployment benefits check bearing the official bank routing number used by that agency. But despite what an accompanying letter may say, there are no state-funded programs to be a "mystery shopper" at a local Sears or Wal-Mart or to wire thousands of dollars to London to evaluate Western Union's service. These checks are being sent all over the U.S., including one recently received by a citizen in Illinois.

Credibility from the state capital. Official-looking checks that purport to be from government agencies are the latest bait in mystery shopping scams — a ruse that promises easy money if you'll just visit local stores and restaurants and then evaluate prices and services.

The scam begins when a check arrives in your mailbox. You're instructed to quickly deposit it in your bank account, then spend some of the money at a particular business, keep some for your "work", and wire transfer the lion's share elsewhere, typically overseas (appraising service at MoneyGram or Western Union is part of the assignment you're told).

But the check is counterfeit — which can take your bank weeks to discover. No money enters your account, and you end up on the hook for everything you spent at the mall, and for what you wired overseas — to the scammers, of course.

Recently, at least 10 people tried to deposit bogus Tennessee unemployment checks. On the average, the agency sends out about 150,000 unemployment checks each week. So, there are a lot of checks out there that can be modified.

In a variation of the scheme, some scammers are sending out checks for \$4,940 supposedly issued by the state of Maryland. They bear dead-on signatures of the state's comptroller and treasurer. Such details lend a lot of credibility in making people feel more secure in thinking they're getting a valid state check. However, the checks were really sent by con artists in Canada.

How to protect yourself. Legitimate mystery shopper gigs do exist, and here's what you can expect from them.

- No upfront payment. Shoppers usually get paid after the assignment has been completed.
- Payment of \$8 to \$20 to shop.
- No instructions to complete a wire transfer overseas, where the money will be beyond the jurisdiction of U.S. law enforcement and likely never to be recovered.

**Scam No. 2.** This information was paraphrased from the September 2010 AARP

Bulletin by Sid Kirchheimer.

Even in the age of computer hacking and elaborate Internet schemes, huge numbers of identity thefts begin with something very old-fashioned, the loss or theft of a wallet or purse, according to the 2010 Identity Fraud Survey Report by Javelin Strategy & Research.

To protect yourself, start now.

Make photocopies of the front and back of every card you keep in your wallet — your driver's license, credit and insurance cards, even video rental memberships and library cards. (Overdue videos and library books taken out in your name will result in fines.)

Having copies at home or in your hotel room safe while traveling will give you access to all your accounts, including those you may forget in a panic. Plus, the back of a card lists important information such as security codes and contact information to report loss or theft.

Quick-action steps. If your wallet goes missing, here's what to do:

- Immediately call all your credit card companies to request an "account number change." Don't ask to "cancel" your account — that can hurt your credit score, especially if you have an outstanding balance. Explain that you want a new number issued so that nothing shows up on your credit report as "canceled by consumer".
- Change passwords to ensure

Continued on Page 7....

**Scam #1:**  
**"Official checks are the latest spin in mystery shopper schemes. Beware."**

**Scam #2:**  
**"A wallet gone AWOL (absent without leave)."**

**Scam #3:**  
**"This short message is critical to your financial well being."**

## News From the Trenches—July 2011—By John J. Tollefsen, CFE, JD, CCS

### **Attacking Trusts and Other Asset Protection Schemes in which the Settlor is NOT a Beneficiary.**

*This column is a continuation of the explanation of Washington's Uniform Fraudulent Transfer Act (the Act) regarding constructive fraud.*

UFTA sanctions three types of transfers even if the transferee is innocent of actual fraud. This is known as constructive fraud and arises when the transferor after the transfer 1) is insolvent; 2) is left with an unreasonably small amount of capital to carry on business; or 3) does not have enough assets to pay creditors.

#### **I. Transfers without REV and debtor insolvent.**

The law deems a transfer or obligation to be constructively fraudulent (regardless of the knowledge or intent of the transferee) if 1) the transferor did not receive reasonably equivalent value in exchange and 2) the transferor was insolvent at the time of the transfer or became insolvent as a result of the transfer or obligation [RCW 19.40.051(a)].

There are two tests of insolvency.

Proof of either one is sufficient to prove insolvency. A debtor is insolvent under the "asset test" if the sum of the debtor's debts is greater than the fair valuation of the debtor's assets [RCW 19.40.021(a)]. A debtor who is not paying his or her debts as they become due is presumed to be insolvent [RCW 19.40.021(b)] under the "debt payment test".

Transferred property reduces the assets of the debtor and increases the likelihood of insolvency under the asset test. In other words, "assets" as used in the definition of insolvency do not include property that has been transferred, concealed, or removed with intent to hinder, delay, or defraud creditors or that has been transferred in a manner making the transfer voidable under the UFTA [RCW 19.40.021(d)].

Under the debt repayment test, "debts" used in the calculation of insolvency do not include an obligation secured by a "valid" lien on property of the debtor not included as an asset (e.g. exempt or transferred property) to the extent of the value of the asset. The amount of the debt that exceeds the value of the collateral is "debt" [RCW 19.40.021(d)]. A lien is "valid" if it is effective against the

holder of a judicial lien subsequently obtained by legal or equitable process or proceedings [RCW 19.40.011(13)].

Constructively fraudulent transactions due to insolvency are only fraudulent to creditors whose claims arose before the transfer was made or the obligation was incurred [RCW 19.40.051(a)].

The statute of limitations for this type of constructive fraud actions is four years after the transfer was made or the obligation was incurred [RCW 19.40.091(b)]

*Continued in next issue ....Two additional types of constructive fraud.*

John J. Tollefsen is the founder of Tollefsen Law PLLC, an attorney, Certified Fraud Examiner, Certified Controls Specialist, and a member of the Pacific Northwest Chapter/ACFE.

Contact him at: [john@tollefsenlaw.com](mailto:john@tollefsenlaw.com). And, see: [TollefsenLaw.com](http://TollefsenLaw.com) for more information regarding fraud law.

---

## **John E. Reid and Associates, Incorporated—Other Training Opportunity**

John E. Reid and Associates, Incorporated will be offering a three-day "Interview and Interrogation Seminar" and/or a one-day "Advanced Course" at the Red Lion Hotel in Portland, OR from September 7-9, 2011. There will be 24 hours of CPE credits available for those who attend this training.

Our Chapter participates in the Reid Preferred Group of Associations (RPGA) discount program for professional associations by agreeing to notify our members of their seminar dates and locations. The RPGA number for the Pacific Northwest Chapter/ACFE is A20-049 and must be provided to John E. Reid and Associates, Incorporated at the time of registration for the training.

Register for training directly with Reid and Associates, Incorporated at: [www.reid.com](http://www.reid.com), or by telephone at 1-800-255-5747, extension 18. The regular registration fee for this class is \$580. The discounted registration fee for this class is \$450. So, be sure to ask for the RPGA discounted fee when you register.

## Chapter Members in the News

(A) Chapter Community/University Outreach Program.

(1) Chapter President and Committee Chairman Joe Dervaes made the following presentations on the topic of “Sharing Life Experiences in Understanding Employee Embezzlement in the Workplace”:

(a) Dr. Bob Holtfreter’s Fraud Examination Class at Central Washington University (Ellensburg Campus), Ellensburg, WA on May 31, 2011.

(b) Dr. Leonard Heritage’s Forensic Accounting Class at the University of Washington (Tacoma Campus), Tacoma, WA on June 22, 2011.

(B) Chapter’s Annual Luncheon Business Meeting and Fraud Seminar.

(1) Chapter President Joe Dervaes was the speaker at the June 8,

2011, annual meeting on the topic of “The ACFE Ethics Program for CFE Professionals” at the Bahama Breeze Restaurant in Tukwila, WA.

(C) ACFE’s 22nd Annual Fraud Conference and Exhibition in San Diego, CA.

(1) Chapter Member Guido Van Drunen, Principal, KPMG LL Forensics Group, Seattle, WA was a session speaker on the topic of “Fraud in the Global Supply Chain—A Holistic Approach” on June 15, 2011.

(D) Other Volunteer Programs and Activities.

(1) Julie Armbrust, Chapter Board of Officers Director-at-Large, has been participating in the following volunteer activities:

(a) The ACFE Staff appointed her to be a member of the Chapter Awards Committee for 2011.

(b) The ACFE Foundation Board of Directors appointed her to be a three-year term member of the Scholarship Committee (July 2011 to July 2014).

(c) She has also been volunteering her personal time to assist Detectives at the City of Bellevue Fraud Division with current fraud cases.

All of these reported activities are an integral part of our Chapter’s Community Outreach Program each year. And, kudos to all for participating in these activities and events throughout the year. The Chapter Board of Officers appreciates your fine efforts.

Other Chapter members are encouraged to notify President Joe Dervaes about their recent or future presentations so that these events can be publicized in the Chapter newsletter.

## The Tidbit—Continued from Page 5

that your accounts can’t be opened by an identity thief. The best passwords use made-up words that are a mixture of letters, numbers, and symbols. Don’t make passwords of your mother’s maiden name, pet’s name, or other identities that can be found online.

□ File a report with the police in your hometown and the place where you and your wallet parted ways. Get copies of the police report. You’ll need them in later dealings.

□ Request a fraud alert be put on the credit accounts that the three major credit bureaus maintain about you. Contact Experian at 1-888-397-3742 (Experian.com), TransUnion at 1-800-680-7289 (transunion.com), and Equifax at 1-800-525-6285 (Equifax.com). With a fraud alert in place, creditors are supposed to verify your identity, usually by phone, before issuing new credit in your name.

□ Ask the Division of Motor Vehicles to put a “flag” on your license file. This will make it harder for a thief to apply for a new copy of your license. It will help protect you if someone runs up traffic violations in your name. You may have to replace your license in person, proving your identity with a birth certificate, passport, or Social Security card (which you shouldn’t carry in your wallet).

□ Notify your bank. You’ll want a new Automated Teller Machine (ATM) or debit card, and a new checking account if your checkbook also went missing.

□ Check your credit history about two weeks later. Visit Annual Credit Report.com or call 1-877-322-8228 toll-free for your free report and then look under “Inquiries” for any new credit applications made in your name. The two-week wait provides enough time for thieves to apply for credit but generally not enough time

for new cards to be issued. Recheck your credit report two to three months later.

**Scam No. 3.** This information was paraphrased from the September 2010 AARP Bulletin by Sid Kirchheimer.

Shred everything with your signature, birth date, Social Security Number, account numbers, passwords, or PINs. When? Shred credit card statements after 45 days unless you need them for proof of purchase or for tax purposes. Shred bank deposit slips and Automated Teller Machine (ATM) and credit card receipts as soon as the transactions appear on statements. Shred bank statements, pay stubs, and medical bills after one year. Save indefinitely any paperwork that is related to taxes, mortgage payments, improvements on your home, and medical and prescription records.

## New Certification Recipient—Ken Wilson, CFE

Chapter Member Ken Wilson, CFE, CSAR, is the owner of Wilson Investigative Services in Olympia, WA.

Ken reports that he recently passed a very rigorous written examination

to obtain the Certified Specialist in Asset Recovery (CSAR) professional designation from the International Association for Asset Recovery (IAAR).

At the time he took the examination, there were only 55 people who had received this designation worldwide.

Congratulations Ken!

---

## The ACFE is Now Accepting Nominations for its Board of Regents

The ACFE is currently accepting nominations for its Board of Regents.

One of the highest honors for a member of the Association of Certified Fraud Examiners is to be elected to serve on the Board of Regents. The ACFE is now accepting nominations for three new positions on the 2012-2013 Board of Regents (through July 31, 2011).

The Board of Regents performs several integral functions. Under the current by

laws, the Board of Regents has sole authority over the admission of members, including, but not limited to, examination standards. The Board is also responsible for establishing, modifying, and enforcing the CFE Code of Professional Ethics and all other matters necessary to maintain the high standards of the ACFE.

Chapter President Joe Dervaes was a member of the ACFE's Board of Regents from 1999-2000, and Chairman from 2000-2003. If you have any questions about serving the membership on the

Board, please contact him for additional information.

The application form for the Board of Regents was included in the most recent issue of *Fraud Magazine*. Or, members can visit the ACFE's web-site at: [www.ACFE.com](http://www.ACFE.com) to obtain an electronic copy of the form.

Now is the time to act because there is very little time left to apply this year.

---

## Redesigned 2011 CFE Examination Preparatory Course Now Available

Here's an important message for everyone out there who is contemplating taking the ACFE's "CFE Examination" course in the future.

The most comprehensive tool available to help you pass the "CFE Examination" has been redesigned with an all-new user interface and enhanced features to improve examination preparation and keep you on track to earning your Certified Fraud Examiner professional credential. The "2011 CFE Examination Preparatory Course" introduces new components that provide you with the most effective examination preparation available, more

efficient use of your study time, and an intuitive, easy-to-use interface.

### More Efficient Use of Your Study Time:

- (a) **NEW.** Pick the sections and topics most relevant to your examination preparation by creating custom review sessions.
- (b) **NEW.** Learn more from your practice examination session by reviewing the questions you missed, analyzing your results by sub-section and tracking your progress over time.

### An All-New User Interface:

- (a) **NEW.** Review your progress with a streamlined design.
- (b) **NEW.** Stay on track to earn your Certified Fraud Examiner professional credential by measuring your progress toward your target certification date and using helpful checklists within the preparatory course software.

Contact the ACFE for additional information about this newly redesigned course at: [www.ACFE.com](http://www.ACFE.com) or 1-800-245-3321.



## The ACFE Law Enforcement Partnership

In order to enhance the anti-fraud experience and expertise of the public sector, the ACFE has initiated the ACFE Law Enforcement Partnership to assist domestic and international government and law enforcement agencies at the federal, state, and local levels by providing various discounts and benefits upon the official recognition of the Certified Fraud Examiner credential. Such benefits in-

clude, but are not limited to, discounts on ACFE conferences, seminars and other learning methods, and discounts on certification.

Current participants dedicated to providing anti-fraud expertise to their employees include: the Department of Defense, the Federal Bureau of Investigation, the Internal Revenue Service—Criminal Investiga-

tion Division, the Securities and Exchange Commission, the Government Accountability Office, the U.S. Postal Inspection Service, and numerous others.

The ACFE focal point for this program is Alani Mundie, CFE at [amundie@ACFE.com](mailto:amundie@ACFE.com), or visit [www.ACFE.com/LEP](http://www.ACFE.com/LEP).

## 2011 ACFE Chapter Award Program Recipients

The 2011 ACFE Chapter of the Year award winner was the Mexico City Chapter. It has grown to more than 300 members and affiliates since its inception in 2008. The 2011 ACFE Chapter Newsletter of the Year award winner was the

Middle Tennessee Chapter. This Chapter strives to keep a balanced newsletter that includes a variety of local information, ACFE events, and community activities. These awards were presented to Chapter representatives during the General Ses-

sions at the ACFE's 22nd Annual Fraud Conference in San Diego, CA. Congratulations to these Chapters for representing the ACFE so well!

## Member Spotlight—Kanako Matsumoto, CFE, CPA



Kanako Matsumoto CFE, CPA is an Audit Manager with Peterson Sullivan, LLP in downtown Seattle. She performs financial statement audits for security broker/dealers, non-profits and government regulated entities. She manages multiple projects at one time. She selects from a pool of employees to staff her audits. She helps her team in the application of both GAAS and GAAP standards. She periodically gives performance reviews to the individual who

have worked on audits with her over the last year.

She earned her undergraduate degree in Women Studies while living in Japan. She then worked for a Japanese bank that eventually went bankrupt. She then decided to go back to school, this time at the University of Washington, to get her degree in accounting. Her experience as a representative at a bank helps her understand her customer's concerns when she audits them.

The part of her job she enjoys the most is that it is constantly changing. She learns something new every day. As a bonus she also gets to meet people from all different backgrounds in her work. She is intrigued by the different cultures in the entities she audits. And as we know the tone at the top can make a difference in how an entity runs its business. For example, some religious non-profits allow for generous amounts for office remodels when the leadership changes.

Although she has never completed a fraud investigation from the beginning to the end, she has worked on investigations of certain irregularities noted by her clients. She is looking for more ways that she

could gain experience in fraud investigation.

She found the Pacific Northwest Chapter through the listing of local chapters at the international ACFE web site, <http://www.acfe.com>. She bought the CFE Review course, studied hard, and in January of 2004, she achieved the designation of CFE. At our chapter meetings, she likes to meet other CFE's and hear about their stories of fraud investigations. Of course, the CPE helps her keep up with the requirements of her CFE. As a member of the Chapter's University Outreach Program Committee, she represents our Chapter at Seattle Pacific University.

If you would like to know Kanako Matsumoto, CFE, CPA better, she encourages you to contact her at work. Her e-mail address is: and her phone number is 206-382-7777. Her company's web site is <http://www.pscpa.com/>.

If you'd like to volunteer to be the subject of our next Member Spotlight, please e-mail Julie at [j\\_bollerud@hotmail.com](mailto:j_bollerud@hotmail.com).

## Report on Chapter Representative's Meeting at ACFE's 22nd Annual Fraud Conference—June 12, 2011; By Linda Saunders, CFE, CPA/CFF

The Chapter Board of Directors appointed ex-Chapter President Linda Saunders, CFE, CPA/CFF, to be our 2011 Chapter Representative at the ACFE's 22nd Annual Fraud Conference in San Diego, CA on June 12, 2011. The following is Part One of her report to the Chapter:

**Summary.** The meeting was jam-packed with scenarios of hypothetical Chapter situations that were discussed at round tables with other Chapter members. The following information represents suggestions the audience provided to enhance or remedy the various situations they had encountered at their Chapters. Here's Part One with Scenarios "A" through "D".

### **Scenario A**

George had invoices from three different association Chapters in front of him. With the economy challenged and his budget tighter, George had to justify every dollar he spent. One by one he evaluated each membership for return on investment.

Did he get his dues back somehow?

Did he have any connections to the Chapter?

Had he volunteered with the Chapter?

These questions and more swirled through his mind. In the end, he decided to keep one membership.

He didn't necessarily get all his dues back, but he did have some great

friends there. Plus, he couldn't imagine not being part of the Chapter.

Across the country, your members are going through similar conversations with themselves (and perhaps their bosses) to justify why staying a member of your Chapter is worth it. Some may have to pay their own way. Your Chapter, the membership experience - even you as a leader - are all being held to higher standards.

Is your Chapter a good investment?

### **Chapter Possible Solutions**

The first step is to acknowledge what is going on with your members.

As a leadership team, take a strategic position about the role your Chapter will play for members right now.

Identify key messages to communicate with your members.

Amp up your Chapter's community to give members relief for a few hours.

Help them feel they are not alone.

They have support.

They have peers who understand what's going on.

A focus on strengthening your community will help your members and your future.

Here are four areas where you can serve the community in your Chapter.

(1) Do more outreach to members.

Do an extra push to personally contact members.

You could run a campaign in your Chapter to invite members (what have you tried?).

(2) Facilitate members connecting with each other.

Have a connection squad work the meetings to introduce members who may not know each other.

Use round table questions over meals to encourage conversation.

(3) Lead with a message.

We will get through this together.

We are here for each other.

Remember the members when you hear of new jobs.

(4) Be an active leader.

Stop doing everything all by yourself and let others get involved.

Make committee meetings more interactive rather than passive experiences.

Help your members connect with each other.

What steps have your Board identified as ways to be there for members, and build a stronger community in your Chapter?

### **Scenario B**

Mark belonged to the Chapter for a few years. He showed up regularly

## Chapter Representatives Meeting Report (Continued From Page 10)

but hadn't quite found his niche yet, in spite of being very committed to the mission of the Chapter.

Nancy was in charge of the Chapter's community outreach committee. An important meeting was scheduled at the Chamber of Commerce and many of the city's leaders would be present. Nancy needed someone who could convey the Chapter's mission to these leaders. She was aware of Mark's belief in their efforts and asked him to represent the Chapter. Mark was ecstatic. What a great opportunity for him.

The day of the meeting Mark was nervous and excited. He had never done this before. When he got in front of the city leaders, he was the picture of calm and confidence. He did a great job. Nancy was in the room taking pictures. She sent him a few photos that night. Mark was a happy guy, and then regular life hit.

Work got crazy and the Chapter was the same as ever. Few knew about Mark's experience. He was back to being nobody. A few weeks later, Nancy asked Mark to help lead a team for the next Chamber meeting. He reluctantly agreed. The next week, the Chapter newsletter hit. An article by Nancy updated the Chapter on all they had done. Plus there was a photo of Mark during his presentation. This made Mark proud to be part of the Chapter, and he couldn't wait for the next meeting.

### **Chapter Possible Solutions**

The photo was a pleasant surprise for Mark, and made him feel good about saying yes to Nancy. Taking and sharing photos is an easy way to build spin about Chapter activi-

ties, and make members even more committed to your Chapter.

### **Scenario C**

Mary had been on the Board for the last five years and in the Chapter for many more. She and others worked hard on the Board.

Everyone ran a committee or two.

Everyone served on more committees.

Basically every committee and all the work was done by the Board. And frankly Mary was growing tired of it.

Mike was a new member. He looked forward to helping out some, even though his life was already jam-packed with other things. He heard Mary talk about the Chapter's big project at the last meeting. Mike had a few ideas that might help the project be even more successful. He sent Mary an email with some of them. No answer.

Knowing how email can be lost, Mike sent Mary a second copy. Still no response. A few days later at the Chapter meeting, Mike asked Mary if she got his email.

"I did. What you are suggesting is committee work. They make all the decisions. Do you want to be on the committee?" Mike knew his wife would be upset if he signed up, "Unfortunately I can't commit to a committee. But maybe I could make a meeting once in a while. Plus, I think those ideas could be a big help."

Mary was annoyed. "Being new, you obviously don't realize that we don't have people just stop by committees. It's hard work to put on the event and we need dedicated volunteers. Maybe next year." Mike was flabbergasted,

"What do you mean? I can't help unless I commit to show for all your meetings? The ideas I gave you included some high level leads. I can help you open doors."

Mary was upset at having to deal with another person not willing to play by the rules, "I'm sorry Mike, as I told you, you are suggesting new ways to do committee work. This is the committee's decision and job to do. We don't work at the will of all the members."

Mike was shot down. "Okay Mary. Whatever works best for you." He left the meeting debating if he even wanted to be involved in the Chapter any more.

### **Chapter Possible Solutions**

If you have been working hard as a leader for a while, you may be used to doing all the work yourself. You may also be used to using a rigid approach where only committee members can be involved in a project and they need to commit to 100% just like you do.

The reality is most of your members are like Mike.

- Their schedule is crowded.
- They have a passion about something your Chapter offers.
- They would like to be able to find a way to make a meaningful difference, in a way that also fits their life.

If you don't find and create ways for folks like Mike to be involved, you are losing a lot of volunteer hours, and potentially members too.

## Chapter Representatives Meeting Report (Continued From Page 11)

It's time to shift to a more inclusive leadership style, one where many can be involved and you don't do it all yourself.

Take the active leader approach.

Your job is to move your mission forward through the work of others.

Where do you start?

The first step is to embrace the concept of being an active leader.

-Are you okay with not doing all the work?

-Are you willing to let others get involved?

-Are you willing to try new ways?

Once you truly embrace being an active leader, there are tons of ideas and strategies for reaching and involving the 10% volunteers like Mike who have limited time to give to the Chapter.

-What would it be like if you didn't have to do all the work?

-How would it feel if you had more people involved doing smaller chunks of the work?

Can you imagine the richness of your projects thanks to the varied involvement, even if it doesn't turn out exactly as you would personally do it?

As you shift away from being the doer and into leading a movement of sorts, you can achieve much more as a leader. You also will be offering the opportunities today's members find valuable, thus helping to insure you will be strong rather than gone in a few years.

-What would your Chapter be like if your entire Board was composed of active leaders?

-What actions have you taken to involve your membership?

### Scenario D

Reggie has been project chair of a big Chapter event for years. He knew what needed to be done and did all the work. Several members tried to help but Reggie wanted it done his way.

This was having an effect on participation. The Chapter Board wanted to grow the Chapter, but long time chairs kept chasing volunteers away.

The Board decided to set term limits for project chairs to encourage new leaders and new ways. There was a lot of grumbling by the chairs, who felt like they were being pushed out after years of hard work.

Reggie became a problem. While he was no longer chair, he refused to give up control of the project and became disruptive. The day of his former project, Reggie arrived early. He told everyone what they were doing wrong. He began to make changes to the room and rearranged everything to his liking. The new chair was confused.

Questions:

Who was in charge? What happened to all their hard work?

### Chapter Possible Solutions

It's not enough to just move older leaders along.

You need to also give them some place to go to. When it feels simply like punishment or being banished, people may act out like how Reggie did.

Former leaders are passionate about your Chapter. They have invested a chunk of their life into Chapter success. Just walking away is hard to do.

How do you help former leaders transition to meaningful new roles?

Part Two of Linda Saunders Report to the Chapter about the Chapter Representatives Meeting on June 12, 2011, at the ACFE's 22nd Annual Fraud Conference in San Diego, CA will be published in the September/October 2011 bi-monthly Chapter Newsletter.

Stay tuned for the rest of the story in Part Two of this Report by Linda Saunders.

## Links to

### ACFE Chapters

Pacific NW Chapter  
[www.fraud-examiners.org](http://www.fraud-examiners.org)

Oregon Chapter  
[www.oregon-acfe.org](http://www.oregon-acfe.org)

Spokane Chapter  
[www.spokane-fraud.org](http://www.spokane-fraud.org)

Boise Chapter  
[www.boiseacfe.org](http://www.boiseacfe.org)

Big Sky Chapter (Montana)  
[kathy.arata-ward@josepheve.com](mailto:kathy.arata-ward@josepheve.com)

Vancouver, B.C.  
[www.cfevancouver.com](http://www.cfevancouver.com)

Edmonton Chapter  
[www.acfe-edmonton.com](http://www.acfe-edmonton.com)

Calgary Chapter  
[www.acfecalgary.com](http://www.acfecalgary.com)

### International ACFE Headquarters

[www.ACFE.com](http://www.ACFE.com)

*Do you have ideas for our  
next newsletter?*

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

*We would love your  
feedback!*

Contact Joe Dervaes at  
[joeandpeggydervaes@centurytel.net](mailto:joeandpeggydervaes@centurytel.net)



## Other ACFE Fraud Training Opportunities

- Mortgage Fraud, Denver, CO, July 25-26, 2011.
- Investigating on the Internet, San Francisco, CA, August 8-9, 2011.
- Fraud Risk Management, Washington, DC, August 11-12, 2011.
- Fraud Related Compliance, Philadelphia, PA, August 15, 2011.
- Interviewing Techniques for Auditors, Philadelphia, PA, August 16-17, 2011.
- Advanced Fraud Examination Techniques, Austin, TX, August 22-24, 2011.
- CFE Examination Review Course, Chicago, IL, August 29-31, 2011.
- Money Laundering: Tracing Illicit Funds, Boston, MA, September 8-9, 2011.
- CFE Examination Review Course, New York, NY, September 19-22, 2011.
- Financial Statement Fraud, Nashville, TN, September 19-20, 2011.
- Contract and Procurement Fraud, Las Vegas, NV, September 22-23, 2011.
- Advanced Interviewing Techniques Workshop, Austin, TX, October 3-4, 2011.
- Professional Interviewing Skills, Detroit (Novi), MI, October 3-4, 2011.
- Fraud Risk Management, New York, NY, October 13-14, 2011.

The ACFE contact point for all course offerings is Dianne Lloyd, Marketing Specialist, by phone at 1-800-245-3321, or at the web-site [www.ACFE.com](http://www.ACFE.com). Contact her for more information and actual registration procedures.

## Other ACFE Chapter Annual Fraud Conferences

- Annual Fraud Conference, Spokane Chapter, November 3-4, 2011. Contact the Spokane Chapter at: [www.spokane-fraud.org](http://www.spokane-fraud.org) for additional registration details.
- Joint Annual Fraud Conference, Pacific NW Chapter and WSCPA, December 2, 2011.

To Receive the discounted registration fee for our Chapter's Annual Fraud Conference, contact the WSCPA's Education Operations Manager, Rachel Ingalls, by telephone at 1-800-272-8273 if you are not a CPA, or register on-line at the WSCPA's web-site at [www.wscpa.org](http://www.wscpa.org) if

## The Chapter Board of Officers

President  
 Joe Dervaes — (253) 884-9303  
[joeandpeggydervaes@centurytel.net](mailto:joeandpeggydervaes@centurytel.net)

Vice-President  
 Bernadette McBride — (360) 791-8824  
[bmcbride@dfi.wa.gov](mailto:bmcbride@dfi.wa.gov)

Secretary-Treasurer  
 Roger Gulliver — (253) 735-2392  
[rbgl@mindspring.com](mailto:rbgl@mindspring.com)

Director-At-Large  
 Robert Goehring — (253) 856-5262  
[rgoehring@ci.kent.wa.us](mailto:rgoehring@ci.kent.wa.us)

Director-At-Large  
 Julie Armbrust  
[j\\_bollerud@hotmail.com](mailto:j_bollerud@hotmail.com)

Training Director  
 Dr. Norm Gierlasinski  
 (206) 439-3800, Extension 3825  
[njg4444@comcast.net](mailto:njg4444@comcast.net)