

The Fraud Examiner



Pacific Northwest Chapter

Inside this issue:

Chapter Members in the News	1-2
PNW Chapter Training Events	2-4 8-10
Free ACFE CPE with Webinars	2
ACFE 26th Annual Fraud Conference	4
2015 Annual Chapter Dues	4
The Tidbit	5-6
Chapter Incentive Award Program	6
Fraud Law	7
Benefits of Membership and	7
Chapter Annual Fraud Conference	8-10
Call for Speakers	10
Volunteer Opportunity	11
ACFE and Chapter Student Scholarship Programs	12
2014 Chapter Distinguished Achievement Award	13
Other ACFE and Chapter Training Opportunities	15
Chapter Board of Officers & Training Director	15

January/February 2015 Issue

Message from the President

Pacific Northwest Chapter Annual Fraud Conference

Registration is now open for the Pacific Northwest Chapter/ACFE 1st Annual Fraud Conference. The one-day conference will be held on May 8, 2015, at the La Quinta Inn & Suites in Tacoma, WA. There will be four dynamic speakers presenting on topics including financial services industry fraud, insurance fraud, ACFE Ethics, and the role of investigative journalism in fighting fraud. Chapter Members and Associate Members can attend for as low as \$100 (\$125 for non-members). See additional details on pages 8-10 and on the Chapter website (www.fraud-examiners.org). I hope to see you there for great fraud training and an opportunity to network with other fraud-fighting professionals!

2015 Chapter Dues

Annual Chapter dues are due beginning in January 2015. The dues/fees structure has not changed from prior years and is as follows: \$24 for CFE Members; \$30 for Associate Members; \$36 for Affiliates of the Chapter (non-members); and \$-0- for Retired Members and Student Members. Chapter Members receive a number of financial benefits, including a \$25 discount for the Chapter Annual Fraud Conference. See additional details on page 14 and on the Chapter website.

Scholarships for Students

Encourage students in accounting and criminal justice to pursue a career in the fraud profession by helping spread the word about the Richie-Jennings Memorial Scholarship and the Chapter Scholarship programs. The application due date is **February 5, 2015**. See page 12 and the Chapter website for more information.

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

Chapter Members In The News

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

(1) Chapter Board Member-at-Large James S. Peet, Ph.D. CFE, owner of Peet and Associates, LLC in Enumclaw, WA and Chapter Member Ken Wilson, CFE, CSAR authored an article in the January/February 2015 edition of Fraud Magazine entitled, "Turning On A Dime -

Refocusing Your Fraud Examination As Unexpected Twists Arise."

(2) Chapter Board Member-at-Large Pete Miller, CFE, CPA, Shareholder in the audit and assurance practice at the accounting firm Clark Nuber, spoke at the Washington Society of Certified Public Accountants' Annual Fraud Conference in Bellevue, WA on December 5, 2014. He made one one-hour

presentation entitled, "How is Fraud *Actually* Happening and How Can We *Actually* Prevent It." There were 130 attendees.

(3) Chapter President Emeritus Joe Dervaes, CFE, ACFE Fellow, CIA, retired federal, state and local government audit and fraud examination services specialist, spoke at the Chapter's December 3, 2014,

(Continued on page 2)

Upcoming Training

Type:
Bi-Monthly Chapter
Fraud Seminar

Date:
February 11, 2015

Time:
2:30—4:30 p.m.

Topic:
Postal Inspectors Role in
Fighting Financial Fraud

Speaker:
Postal Inspector Jeremy
Leder

Where:
Downtown Seattle at
1000 Second Avenue in
the Training Room on
the 28th Floor of the
Washington State
Housing Finance
Commission's offices.
The building is located
across the street and
one block north of the
Jackson Federal Building
(corner of Second
Avenue and Spring
Street).

Price:
The seminar fee is \$20
for Members and \$25 for
non-members. Student
Members may attend
this event at no cost.

Registration:
Register and pay the
Chapter at the door.
Pre-registration is not
required for this event.

Chapter Members In The News—Continued

(Continued from page 1)

fraud training seminar in
downtown Seattle. His two-
hour presentation was entitled,
“Secrets to Success While
Performing Employee
Embezzlement Fraud

Examinations.” There were 10
people who attended this event,
and Joe's ratings were
exceptional.

Other Chapter members are
encouraged to notify President
Robert Goehring (President@

fraud-examiners.org) about
their recent or future
presentations or publications so
that these events can be
publicized in the newsletter.

February 11, 2015, Chapter Fraud Seminar in Seattle—U.S. Postal Inspectors Role in Fighting Financial Fraud

The next Chapter Fraud
Seminar will be held on
February 11, 2015, at our
downtown Seattle training
facility. There are 2 hours of
Continuing Professional
Education available to all who
attend this event.

The topic of this fraud seminar
is: “U.S. Postal Inspectors Role
in Fighting Financial Fraud.”

The speaker for this event will
be Jeremy Leder, federal agent
with the U.S. Postal Service in
Seattle, WA. Jeremy is a sworn
federal law enforcement agent
who investigates federal fraud
cases involving consumer and
corporate fraud in Western
Washington. Jeremy has been a

Postal Inspector since 2006.
Prior to that he was an
intelligence analyst in Chicago, IL
with the Inspection Service,
where he worked full time on a
financial crimes task force.
Currently Jeremy works closely
with the U.S. Attorney's Office
and other federal agencies to
prosecute cases involving
investment fraud,
embezzlement, lottery fraud,
mail fraud, and money
laundering.

This session will examine the
history of the United States
Postal Inspection Service, and
how it became our Nations first
federal law enforcement agency.
Jeremy will review notable mail
fraud investigations worked by

Postal Inspectors, as well as
current case reviews out of the
Puget Sound area. Information
will be presented on how the
mail fraud statute is used in
today's financial investigations,
even when our culture is shifting
towards digital correspondence.
Jeremy will provide information
on how Postal Inspectors are
fighting foreign lottery fraud
from West Africa and Jamaica,
and give information on how
these foreign fraudsters move
money. Lastly, this session will
provide an overview of current
money laundering techniques
used by narcotics traffickers, and
how the U.S. Mail is used.

Free ACFE CPE with Members Only Webinars

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

Archived webinars will be
available for 12 months from
the date of the live event.

More information can be
found at [http://
memberwebinars.acfe.com](http://memberwebinars.acfe.com).

Recent Archived Webinars
include:

- How to Catch a Tax
Cheat - Using Advanced
Analytics to Detect and
Pursue Tax Evasion

- Virtual Identity in the
Digital Economy
- Maximizing Investigative
ROI
- Global Financial Crime
Networks Create New
Crime Paradigm
- Detecting and Preventing
Procurement Fraud

Highlights of December 3, 2014, Chapter Fraud Seminar in Seattle—Secrets to Success While Performing Employee Embezzlement Fraud Examinations

Wednesday, December 3, 2014, was the date of our most recent fraud training seminar in the **Training Room** of our downtown Seattle training facility. There were 2 hours of Continuing Professional Education available to all who attended this event.

The cost of this fraud seminar was \$20 for Members and \$25 for non-members. Student members attended this event at no cost. Pre-registration was not required. Attendees registered and paid at the door.

There were 10 people that attended this event. A significant number of those attending also paid their 2015 annual Chapter dues at that time.

The topic of this fraud seminar was: "Secrets to Success While Performing Employee Embezzlement Fraud Examinations."

The speaker for this event was Joseph R. Dervaes, CFE, ACFE Fellow, CIA. Joe retired after 42.5 years of audit and fraud examination services in 2006 as

the Audit Manager for Special Investigations for the Washington State Auditor's Office. He was responsible for managing the agency's Fraud Program and participated in over 730 fraud cases involving losses of over \$13 million during his 20-year tenure in this position. In 2003, Joe received the ACFE's coveted Donald R. Cressey Award for his lifetime contributions to fraud detection, deterrence, and education. He is the former Chair of the Board of Regents (Regent Emeritus), former Chair of the ACFE Foundation's Board of Directors, and a former member of the Board of Review, serving 13 consecutive years in these ACFE international leadership positions which ended in 2011. He is also President Emeritus of the Pacific Northwest Chapter/ACFE, serving 19 consecutive years on the Chapter's Board of Officers until his retirement in 2012.

This session examined many of the concepts you need to remember in order to succeed during employee embezzlement fraud examinations. It was a summary of the life experiences

the speaker dealt with while spending a career understanding employee embezzlement schemes in the workplace. It included general concepts for fraud examinations, and important internal control issues dealing with fraud schemes in cash receipting, accounts receivable, disbursements, and payroll. These concepts to remember came directly from the speaker's life experiences investigating fraud cases in state and local government in the state of Washington.

This session gave the attendees a wide range of knowledge about the most common types of fraud employees commit against their employers in both the public and private sector.

Joe did an excellent job in presenting critical information that attendees would be able to directly integrate into their respective jobs.

This class was just one more example of the fine training opportunities the Chapter sponsors for its members.

New Chapter Members

Please welcome the new members who joined the Chapter during the period November 2014 through December 2014:

CFEs:

- Kathryn Dixon
- John Sullivan

Associate Members:

<none>

Student Members:

<none>

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

-Renew

Membership and report CPE at the same time

-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

"The police can't protect consumers. People need to be more aware and educated about identity theft. You need to be a little bit wiser, a little bit smarter and there's nothing wrong with being skeptical. We live in a time when if you make it easy for someone to steal from you, someone will."

- Frank Abagnale

Start Planning for the ACFE 26th Annual Global Fraud Conference and Exhibition—June 14-19, 2015—Baltimore, MD

Join nearly 3,000 anti-fraud professionals at the 26th Annual Fraud Conference in Baltimore, MD June 14-19, 2015.

Location:
Baltimore Convention Center
One West Pratt Street
Baltimore, MD 21201
(410) 649-7008

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

Group/Team Registration:
Contact the ACFE at (512) 478-9000 or e-mail groupregistration@acfe.com for registration information, including group pricing that is available for teams of 3 or more from the same organization.

The Pacific Northwest Chapter/ACFE will again participate in team registrations.

There were six members of the Pacific Northwest Chapter/ACFE that

attended the June 2014 event as part of the ACFE Team Registration process and received at least a \$100 registration discount.

Members must register through the Chapter in order to participate in the Chapter Team Registration Process.

Expected Team Registration Process:

1. Complete the ACFE Supplemental *Attendee Form* (http://www.fraudconference.com/uploadedFiles/Fraud_Conference/25th/content/registration/25th-annual-reg-form-groups-supplemental.pdf) and send it via e-mail to President@fraud-examiners.org by March 25, 2015. Do **not** send payment at this time! You will be billed by the ACFE. Clearly indicate whether you will be attending the Full Conference or the Main Conference.
2. Chapter President Robert Goehring will complete the ACFE

Group Registration Form and will provide it to the ACFE with the related individual Supplemental Attendee Forms on **March 27, 2015**.

3. After registration, each member will be responsible for making their own hotel reservations and signing up for their break-out sessions at the Conference.
4. Chapter President Robert Goehring will notify all participating members via e-mail regarding the final count and pricing.

Payment of 2015 Chapter dues is required for participation in the Chapter Team Registration Process.

Chapter Members planning on attending this event are strongly encouraged to contact Chapter President Robert Goehring (President@fraud-examiners.org) as soon as possible in order to secure the best Team Registration pricing possible.

2015 Annual Chapter Dues

Annual Chapter dues are due beginning in January 2015. The dues/fees structure has not changed from prior years and is as follows: \$24 for CFE Members; \$30 for Associate Members; \$36 for Affiliates of the Chapter (non-members); and \$-0- for Retired Members and Student Members.

For those of you who are not required to make annual dues payments (i.e., retired members and student members), please complete and send in your membership renewal form anyway so we can verify that all of your identification information is accurately recorded in our current Chapter

Membership Directory.

Our Federal Tax Identification Number is: 91-1592735. If your organization requires an IRS Form W-9 *Request for Taxpayer Identification Number and Certification*, please contact Chapter President Robert Goehring.

All of the necessary forms are available on the Chapter website (www.fraud-examiners.org).

Please mail your Chapter membership renewal form and dues/fees (if applicable) to the Chapter Treasurer:

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

As a reminder, payment of dues for 2015 is **required** in order to receive the financial benefits of Chapter Membership, including discounted pricing at Chapter 2015 training events.

The Chapter Board of Officers thanks you for your prompt attention to this important matter, and appreciates your support of our Chapter fraud training and scholarship missions.

The Tidbit: Scam Alerts— (1) No One Is Immune From Scammers, But Seniors Are More Likely To Be Targets; and (2) Test Your Fraud IQ

Scam No. 1. This information was paraphrased from an early 2014 article in The News Tribune, Tacoma, WA, by Pamela Yip, a personal finance columnist for the Dallas Morning News.

No one is immune from scammers, but seniors are more likely to be targets.

When it comes to scams, seniors have to be on high alert, always, because anyone over 60 has a target on their back. Scammers seek seniors who may have “executive-functioning deficits,” or trouble with cognitive processes such as memory, reasoning, task flexibility, and problem-solving. Once they find them, they take them for everything they have in a short period of time. There are a multitude of cases where seniors have accumulated enough money to take care of themselves in retirement only to lose it all to scams.

Seniors with mild cognitive impairment often have trouble managing money, about four times more often than others. The scammers know this. Although seniors are not necessarily defrauded at greater rates than younger consumers, certain types of scams are likely to affect older Americans. The most common scams experts say you should watch for are:

1. **Romance Stings.** These go after the lonely hearts. Scammers search dating sites, chat rooms, blogs, and social media networks to lure their victims into forming a

relationship. They usually claim to be Americans traveling or working abroad, but they often actually live overseas. The most common targets are women over 40 who have divorced, widowed, or disabled. But, every age group and demographic are at risk.

The scam typically begins online, with the scammer quickly professing love for the victim. After winning the victim’s trust, the scammer will ask the victim to send money through a wire transfer, claiming the need for some type of emergency, custom or duty fees, or even for travel costs just in order to meet the unsuspecting victim in person. Once the victim wires the money, they never hear from the scammer again.

Warning signs include:

- Online conversations are filled with spelling and grammatical errors.
- A profile photo doesn’t match the alleged age or ethnicity of the person.
- The person refuses to provide contact information or claims they don’t own a phone.
- Your so-called relationship moves really fast.
- The topic of money comes up fast.

Heed these warning signs. Listen to your instincts, and never send money to anyone you don’t know or who you’ve never met in person.

2. **Fake Prize Promotions.**

Prize and sweepstakes scams obviously target seniors. Once the scammer identifies a person who is slipping, they go back and hit them again and again for more money. Consumers between 55 and 74 have the greatest chance of being victimized by fraudulent prize promotions according to a 2013 Federal Trade Commission report on consumer fraud in the U.S. And, those who experienced a “serious negative life event,” such as a death of a loved one, serious illness, a divorce or job loss, were more than three times more likely to become a victim.

In fake prize promotions, you have to pay money in advance, purchase a product, or attend a sales presentation in order to receive the prize or award; however, you receive nothing in return or the prize wasn’t what was promised. If a scammer collects any money for any reason from you before you receive your prize, it’s an illegal lottery. No one who is legitimate will ever collect any money in advance. Some scammers now even impersonate government officials notifying consumers they’ve won a prize. The government isn’t going to notify you that you’re a big winner.

3. **The Grandparents Con.**

This is a huge scam for seniors. In this scam, someone calls you claiming to be the elder person’s grandson or granddaughter. The person

(Continued on page 6)

Scam Alert

Summaries:

(1) “Senior Americans lose an estimated \$2.9 billion from scams every year.”

(2) “Scammers seek people who are emotionally vulnerable because it’s easier to get them to make bad decisions.”

The Tidbit—Continued

(Continued from page 5)

has an emergency and asks the senior to send money immediately. The family member might claim to have been arrested or gotten into an accident while traveling abroad. The problem is that it's not your relative who wants the money. It's a con artist tugging at your heartstrings so he/she can get into your wallet or purse.

Hang up and contact your grandchild or his/her parents to verify whether or not the child is really in trouble. Don't ever wire any money or provide any financial information to the scammer.

Senior Americans lose an estimated \$2.9 billion from scams every year. Report any scam to the U.S. Senate Special Committee on Aging's hotline (855-303-9470 or aging.senate.gov/fraud-hotline). Expert investigators in identity theft, phone scams, and Medicare and Social Security fraud are available to assist victims. In addition, the AARP Fraud Watch Network (aarp.org/fraudwatchnetwork) provides tips and

resources to help you spot and identify fraud. Sign-up on this site to get watchdog alerts for free.

Scam No. 2. This information was paraphrased from the March 2014 issue of AARP Bulletin/Real Possibilities.

Test Your Fraud IQ.

On-line, have you ever:

1. Clicked on a pop-up ad?
2. Played solitaire or other games?
3. Opened an e-mail from someone you don't know?
4. Read a newspaper?
5. Signed-up for a free trial offer?
6. Sold some merchandise in an auction?
7. Kept in touch with family members on Facebook or Twitter?
8. Checked the weather report?
9. Sent funds through an internet money transfer service?
10. Watched a TV show?
11. Posted your home address, phone number, vacation plans, names of children or grandchildren on social media?

If you selected only even-numbered activities, congratulations! You're among Internet users who are least likely to be conned by a fraudster who's after your money. If you selected any of the odd-numbered choices, you may be putting yourself at risk.

AARP Fraud Watch Network conducted a survey of nearly 12,000 Internet users to determine what the differences were between on-line fraud victims and non-victims. It found that age doesn't matter. What does? Non-victims rarely engaged in certain on-line behaviors, such as the odd-numbered example in the above test. Victims often had recently experienced a stressful event, such as a job loss, a serious illness, or relationship problems. Scammers seek people who are emotionally vulnerable because it's easier to get them to make bad decisions.

2015 Chapter Incentive Award Program and 2014 Award Winner

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

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

Key items (Not All-Inclusive):

- Deadline for fulfilling all of the requirements—Dec 31, 2015

- Applicant must be an Associate Member of the Chapter and provide written notice of intent to the Board to apply for this award
- Applicant must pass the CFE Examination and obtain the CFE Credential in 2015
- Applicant must attend at least two of the Chapter's Fraud Training events
- Applicant must incur eligible expenses that are not reimbursed by his/her employer or other party

The winner will be determined through drawing if more than one person meets the eligibility requirements. The winner will be announced at the February 2016 Chapter Fraud Seminar.

2014 Award:

There was one applicant for the 2014 award: Kathryn Dixon, CFE, Senior Vice President-Loan Review Manager, Heritage Bank.

Kathryn met all of the requirements of this award and the Board of Officers unanimously approved her selection as recipient for the 2014 award.

Make sure to attend the Chapter's February 11, 2015, bi-monthly fraud seminar in downtown Seattle at which time this award will be presented to Kathryn Dixon. Pictures will be taken and will be published in the March-April 2015 Chapter Newsletter.

Fraud Law—January 2015—By John J. Tollefsen, CFE, JD, CCS

Overview of Whistleblower Protection under Dodd-Frank and Sox

(Continued from December / November 2014 Newsletter)

Whistleblower protection under Dodd-Frank

SOx § 806 provides that an employee subject to retaliation is “entitled to all relief necessary to make the employee whole.” This allows the employee to ask for relief like reinstatement, mental stress damages, loss of the employee’s future career earnings, and reputational damage. In contrast, Dodd-Frank provides limited remedies. Monetary damages are limited to 2 times the amount of back pay owed plus interest. The whistleblower is entitled to reinstatement with the same seniority status that would have existed but for the discrimination. Litigation costs, expert witness fees, and reasonable attorney fees are awarded to the successful whistleblower.

Dodd-Frank added additional provision to assist whistleblowers by amending SOx § 806. Jury trials are now available in both SOx § 806 and Dodd-Frank cases. It also added this new civil action:

No employer may discharge, demote, suspend, threaten, harass, directly or indirectly, or in any other manner discriminate against, a whistleblower in the terms and conditions of employment because of any lawful act

done by the whistleblower--

(i) in providing information to the Commission in accordance with this section;

(ii) in initiating, testifying in, or assisting in any investigation or judicial or administrative action of the Commission based upon or related to such information; or

(iii) in making disclosures that are required or protected under the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7201 et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), including section 10A (m) of such Act (15 U.S.C. 78f(m)), section 1513(e) of Title 18, and any other law, rule, or regulation subject to the jurisdiction of the Commission.

Sadly, Congressional drafters left a loophole. Reporting to supervisors is not mentioned as grounds for protection. By the plain terms of the statute, a loyal employee who blows the whistle to her supervisor can be fired. The Fifth Circuit has so ruled. The SEC attempted to fix the statute by rule in order to protect the internal reporting system set up under Sarbanes Oxley. Outside the Fifth Circuit some courts have deferred to the SEC rule.

Actions for violations of this provision may be brought in United States’ district courts. The statute of limitations is 6

years after the date on which the violation of occurred or 3 years after the date when facts material to the right of action are known or reasonably should have been known by the employee alleging a violation. The discovery rule is restricted to 10 years after the date on which the violation occurs.

The whistleblower to the SEC is entitled to confidentiality except for public proceedings or disclosures allowed under federal law. The rights afforded whistleblowers cannot be waived and no predispute arbitration clause is enforceable. Dodd-Frank authorized jury trials under SOx § 806 but no specific provision was made for a jury trial for this new cause of action.

(Next: The SEC’s Whistleblower Bounty Rule)

John J. Tollefsen, J.D., LL.M., is the founder of Tollefsen Law PLLC, an attorney, Certified Fraud Examiner, and Certified Controls Specialist. John@TollefsenLaw.com. See TollefsenLaw.com for more information regarding fraud law. A footnoted version of this article as it written will be posted at <http://tollefsenlaw.com/whistleblower-protection-under-dodd-frank/>

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

Benefits of Chapter Membership and Serving on the Board of Officers

The Board recognizes that the Chapter membership is fully aware of the non-financial benefits of being a Chapter Member and serving the Chapter in various capacities including serving on the Board of Officers, serving on the various Chapter committees and speaking at Chapter training events and other venues. However, did you know that there are very real financial benefits?

Membership:

- \$5 discount on Chapter Fraud Seminars
- \$25 discount on Chapter Annual Fraud Conference (May 2015)
- Free lunch at the June Chapter Training/Business Meeting
- Free lunch (1 day only) at ACFE October training
- As an Associate Member, the opportunity to apply for the Chapter CFE Incentive Program Award (up to \$500)

Board of Officers:

- Free registration for 3 Board Members for the Joint Chapter/ACFE October training class (\$695/each)
- Up to \$500 for one member for attendance at ACFE Annual Conference as the Chapter Representative.
- Free registration for the Chair and Co-Chair of the Chapter’s Annual Fraud Conference (May 2015)

May 8, 2015—Pacific Northwest Chapter/ACFE Annual Fraud Conference La Quinta Inn & Suites—Tacoma, WA

Friday, May 8, 2015, is the date of our Chapter's first Annual Fraud Conference. Registration begins at 7:30 a.m. and a continental breakfast will be provided. The conference begins at 8:00 a.m. and ends at 4:20 p.m. Lunch will be provided from noon to 12:30 p.m.

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

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

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

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

The cost of this event is \$125 for participants that register and pay on or before April 15, 2015; \$150 between April 16, 2015 and April 30, 2015; and \$175.00 after April 30, 2015. Chapter members will receive a \$25 discount from these rates. Chapter members must be current on their Chapter dues to be eligible for this discount.

Pre-registration for this fraud conference is required. However, a limited number of same day registrations will be available for an additional \$25 fee (total regular fee \$175 non-members, \$150 members).

Participants that cancel in writing after April 15, 2015, will be given the option of transferring their registration to another person, or applying their registration fee to the 2016 Annual Fraud Conference. No refunds or credit will be given for "no shows".

The speakers and topics for this conference are listed below and on pages 9 and 10. See the Chapter website (www.fraud-examiners.org) for more information.

Michael Kinsley, CFE, CFSA,
Manager, Internal Audit
Russell Investments



Topic:

***Fraud and the
Financial Services
Industry***

**Michael Kinsley,
CFE, CFSA,** is the
Manager of
Internal Audit for
Russell

Investments. He leads the company's Internal Audit function in Australia, New Zealand, and Asia (except Japan). His responsibilities include audit planning and execution, risk identification and assessment, fostering business relationships, and setting the overall direction for Internal Audit in these

regions. Other responsibilities include developing and performing operational audits for Russell Investment's business in the United States.

Prior to joining Russell Investments, Michael was an Internal Audit Team Lead at Verizon Corp., where he lead full country reviews in Europe and South Africa and various audits in the United States. Preceding that, Michael was Senior Auditor at MCI Corporation and KMPG and was a Senior Tax Manager in the telecommunications industry.

Michael is an Adjunct Professor of Accounting at the Albers School of Business and Economics, Seattle University, where he teaches both undergraduate and graduate courses in Forensic Accounting, Fraud Prevention, Internal Audit and Controls, and general accounting. Michael has an M.B.A. from Averett University, as well as B.A. degrees

in History and Political Science from James Madison University.

Michael serves as a Fellow on the World Affairs Council and is a member of the Institute of Internal Auditors (IIA), the Association of Certified Fraud Examiners (ACFE), and the Securities Industry and Financial Markets Association (SIFMA).

**TOPIC AND DESCRIPTION:
Fraud and the Financial Services
Industry**

In this session, Michael Kinsley, CFE, CFSA, will present some of the more common types of fraud in the financial services industry. He will also discuss strategies for fraud prevention and detection. The presentation will also include actual case studies.

"Secrecy is the badge of fraud."

- Sir John Chadwick

Pacific Northwest Chapter/ACFE Annual Fraud Conference—Continued

Mark Couey

Director of the Special Investigations Unit of the Washington State Office of the Insurance Commissioner.



Topic:

Criminal Insurance Fraud in Washington State

Mark Couey is the Director of the Special Investigations

Unit of the Washington State Office of the Insurance Commissioner. He has over 30 years of law enforcement experience, having worked for both the Oregon State Police and Washington State Patrol prior to the Office of Insurance Commissioner.

Over 14 years of his career have been

spent working in various investigative assignments. Some of these included Detective Sergeant assigned to the Criminal Investigation Division; Section Commander as a Lieutenant assigned to Narcotics, and as a Division Commander, first as the Captain over the WSP's Investigative Assistance Division and later the Special Operations Division.

Mark has an Associate's Degree in Criminal Justice, as well as a Bachelor's Degree in Economics from Oregon State University. He is a graduate of the International Association of Chiefs of Police (IACP) "Leadership in Police Organizations" course. He has obtained supervisor, manager, and executive level certifications from the Criminal Justice Training Commission.

Mark is also a graduate of the DEA's Drug Unit Commander Academy as well as the FBI's National Academy, both at Quantico, Virginia. He is an executive board

member of the Washington Association of Sheriffs & Police Chiefs.

Mark is honored to represent the Office of the Insurance Commissioner as the Director of the Special Investigations Unit. The unit investigates fraud perpetrated against insurance companies and pursues criminal charges against organized groups and individuals involved in various fraudulent schemes.

TOPIC AND DESCRIPTION: **Criminal Insurance Fraud in Washington State**

In this session, Mark Couey will present at least three examples of successful investigations and prosecutions. He will also provide an overview of the Washington State Office of the Insurance Commissioner Special Investigations Unit, the referrals it receives, and other information surrounding criminal insurance fraud in Washington state.

Dr. Brian K. Steverson

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



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

2008, he was a member of the Philosophy Department since 1992. Brian received his Ph.D. from Tulane University in 1991. His main areas of current scholarship are business ethics, professional ethics, and the ethics of entrepreneurship. His research interests include the ethics of pre-employment screening for psychopathic disorders, the growing movement for professionalizing business management, the Jesuit model of business education, and the use of choice architecture as a management technique. His work has appeared in *Environmental Ethics*, the *Online Journal of Ethics*, *Topics in Contemporary Philosophy*, the *Business and Professional Ethics Journal*, the *Journal of Ethics & Entrepreneurship*, and the *Journal of Jesuit Business Education*.

TOPIC AND DESCRIPTION: **Business Ethics—No Really, There is Such a Thing!**

In this session, conference participants will debunk the urban myth that "business ethics" is an oxymoron (we will not, however, prove the existence of Bigfoot) by discussing what has come to be known as the "social contract approach" to business. Along the way, participants will also develop a basic decision-making methodology that business persons can adopt to integrate basic ethical values into the daily operation of their organizations.

"Always do right. This will gratify some people and astonish the rest."

- Mark Twain

Pacific Northwest Chapter/ACFE Annual Fraud Conference—Continued

Andrew McIntosh, CFE
Investigations Editor for Agence QMI-QMI
News Agency



Topic:

Investigative Journalism and the Fight Against Fraud

Andrew McIntosh, CFE, is investigations editor for Agence QMI - QMI News Agency, a multimedia (newspapers, TV and the Web) news service of Quebecor Media, the largest private media company in French Canada. He also acts as a U.S. West Coast correspondent as required from his base in Seattle. Andrew is also a member of the Pacific Northwest Chapter/ACFE.

He has worked across North America as an investigative reporter for the *Sacramento Bee* in California, the *National Post* in Ottawa, Ontario, *The Globe and Mail* in Toronto, *The Ottawa Citizen* and *The*

Montreal Gazette in Quebec.

A graduate of Concordia University in Montreal, he has made a career of exposing political and police corruption, business fraud, and waste and mismanagement of taxpayers' and shareholders' money.

A recognized expert on municipal, state and federal Freedom of Information Acts in the United States and Canada, McIntosh is a three-time winner of the National Newspaper Award, Canada's highest journalism honor, and was a finalist three other times. He has also won four Canadian Association of Journalists Awards for outstanding investigative journalism, including two awards for innovative data journalism projects.

TOPIC AND DESCRIPTION: **Investigative Journalism and the Fight Against Fraud**

In this session, Andrew McIntosh, CFE will explain how he and his unit exposed money laundering by a violent street gang leader (now killed), a ring that trafficked \$60 million in fake construction invoices; and the thefts of airline passenger's money and valuables by airport security screeners across North America. He has also taken aim at expense account misspending, a bid-rigging scheme involving \$25 million worth of legal and HR contracts, as well

as fraud by numerous Canadian municipal and union officials.

In California, McIntosh's probe into several deaths and thousands of injuries across the U.S. that were caused by nail guns with flawed designs triggered a state sponsored construction industry safety summit and won an award from the Society of American Business Editors and Writers and was a finalist for both the U.S. Investigative Reporters and Editors Awards and the Loeb National Business Writing Awards.

His probe into flaws and loopholes in California's state paramedic licensing and continuing education system led to state hearings, legislative changes, and a new law signed by Gov. Arnold Schwarzenegger.

When not reviewing endless piles of records and conducting interviews, Andrew (still) plays ice hockey, canoes and spends too much time in airplanes.

Pacific Northwest Chapter/ACFE—Call for Speakers

One of the Chapter's most important missions is providing training for its members. The Board of Officers is always looking for speakers for these events.

Our 2-hour Fraud Seminars are held at our downtown Seattle Training Facility (28th Floor of the Old Key Towers Bldg. —1000 2nd Avenue), and a 1-hour Fraud Seminar is held in conjunction with the Annual Business Meeting in Tukwila. The Seattle Fraud Seminars are held the 2nd Wednesday in February and August, and

the 1st Wednesday in December. The Annual Business Meeting is held on the 2nd Wednesday in June. The Chapter's Annual Fraud Conference is held in May.

In terms of topics, anything related to fraud prevention, detection, investigation and prosecution is great and, in particular, cases literally "ripped from the headlines". Some of the best training comes from the speaker's own work experience.

If you are interested in being a speaker, know someone who would benefit from this experience or have heard a great speaker recently at some other training, please contact President Robert Goehring (President@fraud-examiners.org) for more information.

On behalf of the Board of Officers and Chapter Membership, thank you for your support of the Chapter's fraud training mission!

Volunteer Opportunity — UW Fraud Victims Pilot Project - Winter 2014 Fraud Class—UW (Bothell Campus)

The Fraud Victims Pilot Project provides an opportunity for students attending a UW Forensic Accounting class who are interested in using their accounting skills to help fraud victims obtain some measure of justice. The volunteering CFE would work directly with the instructor to mentor the students and monitor the fraud case they're working on.

The project is comprised of the King County Prosecuting Attorney's Office (Economic Crimes Unit), three local police departments (Seattle, Bellevue and Kirkland), the University of Washington Accounting Instructors and the Pacific Northwest Chapter/ACFE. The Chapter's role is limited to helping advertise the project and providing advice regarding the project itself. The Chapter Membership as a whole and the Board of Officers will not be playing a direct or indirect role in specific fraud investigations selected for this Project.

A class was offered in Fall 2014 at the University of Washington (Bothell Campus); however, the prerequisite minimum number of eight students did not register. The good news is that at least eight students registered for the Winter 2014 class.

The Winter 2014 class will meet once a week on Saturdays for three hours (9:30 a.m.—12:30 p.m.) at the UW's Eastside Leadership Center in Bellevue (140 Park Street). Parking is free at this location, and actual class dates have not yet been established.

The King County Prosecuting Attorney's Office has identified at least one elder care fraud case to be used by the students. If only one case is ready for the students, then it is likely that more than one group of students will work on the same case, with the CFEs working in pairs to mentor them. There may also be a second fraud case involving a private

sector small business ready for the students to use. If so, the CFEs will work in pairs to mentor the students on these separate cases.

Five Chapter Members volunteered for the Fall program: President Emeritus Joe Dervaes, Training Director John Tollefsen, Elizabeth Larson, Rick Osborn, and Mike Nurse. However, only three of these volunteers will be available for the Winter 2014 program. Rick Osborn and Mike Nurse had to drop out because of prior work engagements during this time.

Two key concerns raised by prospective volunteers in the past have been resolved:

- Insurance. Volunteers will be covered for insurance liability while working on this project by completing a King County volunteer form and being fingerprinted at the King County Sheriff's Office.
- Private Investigator License. The CFEs will not interview any suspects in the cases the students will be working on. Any interviews would be conducted by either the King County Prosecuting Attorney's Office and/or detectives from the appropriate law enforcement agency responsible for bringing the fraud case to the class for action. So no private investigator license is required for any CFE volunteering on this project.

Key considerations:

1. CFEs must be members of the Pacific Northwest Chapter/ACFE and participation must be approved by the Board of Officers.
2. Everyone participating in the Project must complete a background check.

3. The three police departments and/or the King County prosecutor will coordinate their efforts to find simple fraud cases to be used by the students.

4. The original source documents in the case will remain at the police department which advanced the case to be used. Copies of the documents will be forwarded to the UW instructor and will be kept in a secure location for use by the students and the CFEs. The King County Prosecuting Attorney's Office will serve as the contact on this effort.

5. The instructor and the volunteering CFEs will be the mentors for the students on the fraud case and will provide oversight and review the work performed by the students. Interviews will be conducted by police detectives and/or the prosecutor if needed.

6. During the period of the fraud class, students will be expected to meet with the CFE volunteers once per week for 3 hours when it is convenient for the CFE. This could be during the actual fraud class, or in the evenings or on weekends. The meetings could be at the Bothell campus or the Bellevue campus, the King County Prosecuting Attorney's Office, or the CFE's office.

7. If the students do not complete their work or issue a draft report before the class has been completed, it will be up to the CFEs to complete the work and issue the final report to the King County Prosecutor (procedures to be defined later).

Please contact President Emeritus Joe Dervaes, CFE, ACFE Fellow, CIA if you have any questions about this project or are interested in participating. Chapter membership will be notified regarding important developments through future Chapter newsletters and e-mails.

"Draw the curtain, the fraud is over." - François Rabelais

Ritchie-Jennings Memorial Student Scholarship Program (2015-2016)

Are you mentoring a college student? Do you have friends or professional associates with children in college? Could they use some additional financing to pay for tuition? Are they interested in Fraud Prevention, Detection or Investigation?

The ACFE Foundation supports the education of students worldwide enrolled in accounting, business, finance and criminal justice who wish to pursue a career in fraud examination or similar anti-fraud professions.

Four different scholarship amounts are awarded: one \$10,000 scholarship, two \$5,000 scholarships, four \$2,500 scholarships and twenty-three \$1,000 scholarships. The Ritchie-Jennings Memorial scholarships are awarded in U.S. dollars and include a one-year ACFE Student Associate membership. Scholarships will be paid directly to the student's university.

To be eligible to apply, the applicant must currently be enrolled full-time and

similarly enrolled during the 2015-2016 academic year with a declared major or minor in accounting, business administration, finance or criminal justice at an accredited, four-year college or university.

Undergraduates must be enrolled 9 semester hours (or equivalent) per term and graduates must be enrolled 6 semester hours (or equivalent) per term. To be considered, applicants must complete the Ritchie-Jennings Memorial Scholarship application with the following:

- Official transcript(s) showing all completed college or university courses
- Three letters of recommendation

Letters of recommendation should be obtained from an individual who may have worked with the student in a professional or educational capacity such as an instructor or employer. At least one letter is preferred to be from a Certified

Fraud Examiner (CFE). Students are encouraged to meet with a local ACFE chapter to become acquainted with a CFE.

2015-2016 Scholarship Schedule:

- Application Deadline – completed on-line by **February 5, 2015**
- Scholarship Award Recipients Announced – April 17, 2015
- Scholarship Awards Distributed – April 30, 2015

The Pacific Northwest Chapter/ACFE also offers one \$1,000 annual scholarship (see below for more information)

See www.acfe.com/scholarship.aspx (ACFE Foundation) and www.fraud-examiners.org/scholarship_intro.shtml (Pacific Northwest Chapter/ACFE) for more information.

Help the next generation of fraud professionals meet their career goals by spreading the word about these scholarship opportunities!

2015-2016 Chapter Student Scholarship Program

There are two annual scholarship programs available to full-time university students seeking a major or minor in accounting, business administration, finance, or criminal justice programs in the Pacific Northwest. They are the ACFE Foundation's Ritchie-Jennings Memorial Scholarship Program (discussed above), and the Pacific Northwest Chapter/ACFE Student Scholarship Program.

The Chapter scholarship program is a \$1,000 award (increased from \$500) to eligible students attending a qualifying college or university in the state of

Washington. Winners of an ACFE Foundation scholarship are not eligible to receive a Chapter award for the same academic year.

Students interested in applying for the 2015-2016 Scholarship programs are encouraged to visit the Chapter web-site (www.fraud-examiners.org) or contact any Chapter Board Member to learn more about these programs. The application deadline is **February 5, 2015**.

Applicants must first apply directly for the Ritchie-Jennings Memorial Scholarship Program, then provide the ACFE

Foundation complete application package and a resume to Chapter President Robert Goehring via e-mail at President@fraud-examiners.org or by USPS to P.O. Box 215, Auburn, WA 98071-0215.

There were no eligible applicants for the Chapter award for the current and two previous academic years. The Chapter's Community/University Outreach Committee will continue its extensive efforts in advertising these programs to area colleges and universities. The Board of Officers also implemented several new initiatives to advertise these programs.

"A promise made is a debt unpaid."

- Robert W. Service

Presentation of the 2014 Chapter Distinguished Achievement Award

Make sure to attend the Chapter's February 11, 2015, bi-monthly fraud seminar in downtown Seattle to support one of your fellow Chapter members.

At this meeting, the Chapter will present its 2014 Distinguished Achievement Award to Pete Miller, CPA, CFE. Pictures will be taken and will be published in the March-April 2015 Chapter Newsletter.

Pete is a Shareholder in the audit and assurance practice at the accounting firm Clark Nuber. Pete serves on the board of the Washington Society of CPAs as well as the Pacific Northwest chapter of the ACFE as a Board Member at Large. He also serves as the Conference Coordinator and Co-Chair of the May 8, 2015, Chapter Fraud Conference.

The Chapter Board of Officers approved this award at its February 12, 2014, meeting in Seattle. In addition, the Membership of our Chapter also approved this award at its June 11, 2014, Annual Luncheon and Business Meeting in Tukwila.

Pete is being recognized for his many years of service and leadership to the Chapter.

Pete joined the Pacific Northwest Chapter/ACFE shortly after he passed the CFE Examination in December 2005 and has been an active member of the Chapter and the ACFE since that time. Most recently, he was the speaker at the April 9, 2014, chapter meeting with a presentation entitled,

"Change as a Driver for Fraudulent Behavior".

Pete supports the Pacific Northwest Chapter/ACFE through his long-standing attendance at our Chapter bi-monthly fraud training events, regional conferences, the annual business luncheon, and the ACFE National Conference. Effective October 1, 2013, he stepped into a Chapter leadership role through his appointment to the Board of Officers as Member-At-Large. On June 11, 2014, the Chapter Membership re-elected him to this position for a two-year term ending June 30, 2016.

Pete's interest in fraud prevention dates back to his college days and it has been a passion he has followed throughout his career.

Along the way he had the opportunity to hear from perpetrators involved in some of the more infamous fraud cases, including ZZZZ Best and Phar-Mor drug stores. Later he even had an opportunity to share the stage in a joint presentation with Mark Morse from the ZZZZ Best case.

These early encounters served as a catalyst to Pete's interest in fraud and forensic accounting and led him to start a forensic accounting and fraud investigation practice at his firm, Clark Nuber.

In addition to his role as the fraud practice leader, Pete is also passionate about expanding the awareness of fraud, the effectiveness of prevention techniques, and the opportunities

available to new professionals wanting to get involved in the fight against fraud. Pete is a frequent speaker and a recognized expert in the Puget Sound business community on the topic of fraud prevention and detection. He speaks once or twice a month on these subjects to groups of CPAs, other business professionals, and college students; helping them understand the risks associated with fraud, the power of prevention, the career opportunities available to those interested, and the benefits of the ACFE. He is also the author of a blog focusing on fraud prevention (Focus on Fraud; <https://www.clarknuber.com/fofblog/>). For his efforts with the WA Society of CPAs on these activities as well as others, Pete was presented with the WSCPA's President's Award in 2013 for his exemplary service and tireless efforts in representing the board to its members.

Pete also serves the community in many ways, including but not limited to serving at the Treasurer of the Pacific NW Pollution Prevention Resource Center, and serving on the Board of Trustees of the KidsQuest Children's Museum.

Pictures will be taken when the presentation is made and will be included in the March/April 2015 Chapter Newsletter.

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

"Vision without action is merely a dream. Action without vision just passes the time.

Vision with action can change the world."

- Joel A. Barker

Links to

ACFE Chapters

Pacific NW Chapter
www.fraud-examiners.org

Oregon Chapter
www.oregon-acfe.org

Spokane Chapter
www.spokane-fraud.org

Boise Chapter
www.boiseacfe.org

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

Vancouver, B.C.
www.cfevancouver.com

Edmonton Chapter
www.acfe-edmonton.com

Calgary Chapter
www.acfecalgary.com

International ACFE Headquarters

www.ACFE.com

*Do you have ideas for our
next newsletter?*

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

*We would love your
feedback!*

Contact Robert Goehring at
President@fraud-examiners.org

Other ACFE Fraud Training Opportunities

- Bribery and Corruption, Phoenix, AZ, 1/26/2015 - 1/27/2015
- Auditing for Internal Fraud, San Antonio, TX, 1/29/2015 - 1/30/2015
- Investigating Conflicts of Interest, New Orleans, LA, 2/9/2015
- Fraud Risk Management, New Orleans, LA, 2/10/2015 - 2/11/2015
- Using Data Analytics to Detect Fraud, Orlando, FL, 2/12/2015 - 2/13/2015
- CFE Exam Review Course, Dubai, UAE, 2/22/2015 - 2/26/2015
- CFE Exam Review Course, Las Vegas, NV, 2/23/2015 - 2/26/2015
- Advanced Interviewing Techniques Workshop, Austin, TX, 3/2/2015 - 3/5/2015
- Fraud Prevention, Denver, CO, 3/4/2015 - 3/4/2015
- Financial Statement Fraud, Denver, CO, 3/5/2015 - 3/6/2015
- Health Care Fraud, Memphis, TN, 3/9/2015 - 3/10/2015
- Fraud Risk Management, Jakarta, Indonesia, 3/12/2015 - 3/13/2015
- 2015 ACFE European Fraud Conference London, United Kingdom, 3/22/2015 - 3/24/2015

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

Other ACFE Chapter Annual Fraud Conferences

- Annual Fraud Conference, Pacific Northwest Chapter (May 8, 2015—Tacoma, WA)
- Annual Fraud Conference, Spokane, WA Chapter (to be announced)
- Annual Training Conference, Portland, OR Chapter (to be announced)
- Anti-Fraud Training, Vancouver Chapter/Justice Institute of BC (to be announced)

The Chapter Board of Officers & Training Director

President
Robert Goehring, CFE, CPA
(253) 856-5262
President@fraud-examiners.org

Vice-President
Julie Armbrust, CFE, CPA
VicePresident@fraud-examiners.org

Secretary-Treasurer -
Roger Gulliver, CFE, CPA, CISA, CBA
(253) 735-2392
Treasurer@fraud-examiners.org

Board Member-At-Large
James Peet, Ph.D, CFE
Boardmall@fraud-examiners.org

Board Member-At-Large
Pete Miller, CFE, CPA
Boardmal2@fraud-examiners.org

President Emeritus
Joe Dervaes, CFE, ACFE Fellow, CIA
(253) 884-9303
PresidentEmeritus1@fraud-examiners.org

Training Director
John J. Tollefsen, JD, CFE, CCS
206 624 5300 extension 604
TrainingDirector@fraud-examiners.org

