

Annual Fraud Conference (WSCPA/CFE Chapter)
December 3, 2010 – Meydenbauer Center – Bellevue, WA
Speakers, Topics, and Agenda

Speaker #1 – Joseph R. Dervaes, CFE, ACFE Fellow, CIA
Vice-Chair ACFE Foundation Board of Directors; and, President of the Pacific Northwest Chapter/ACFE

Speaker Biography:

Joe Dervaes retired in Vaughn, WA after 42.5 years of federal, state, and local government audit service on July 31, 2006. At his retirement, he was the Audit Manager for Special Investigations at the Washington State Auditor's Office. He was an employee embezzlement specialist, managed the agency's Fraud Program in state agencies and local governments and participated in the investigation of over 730 cases involving losses of over \$13 million.

8:00 a.m. – 8:50 a.m. (Break 8:50 a.m. – 9:00 a.m.)

Brief Topic Description: Accounts Receivable Fraud Case Study. The speaker discusses one of his largest accounts receivable fraud cases (\$290,200 in 6.5 years) which illustrates why no organization should hire a crook, even one with a lot of experience (all bad). This case occurred in the municipal court of a small city, and illustrates the importance of independently monitoring the work of the key financial employee in any department or entity.

9:00 a.m. – 9:50 a.m. (Break 9:50 a.m. – 10:00 a.m.)

Brief Topic Description: Computer Disbursement Fraud Case Study. The speaker discusses his most complex and sophisticated computer disbursement fraud case study (236,925 in 1.5 years). The Deputy Treasurer/Controller performed too many incompatible duties which compromised the organization's internal control system for disbursements. His work was not independently monitored by superiors.

Speaker #2 – R. Timothy Crandell
Assistant Attorney General, State of Washington

Brief Speaker Biography:

Tim Crandell serves as an Assistant Attorney General in the Social and Health Services Division as an advisor to the Medicaid program in the state's capitol, Olympia, WA. Working in the Criminal Justice Division, he criminally prosecuted medical professionals and corporations for defrauding governmental and private insurance carriers in both state and federal court. He was previously Deputy Director of the Medicaid Fraud Control Unit as well as Senior Deputy Prosecuting Attorney in the King County Prosecutor's Office.

10:00 a.m. – 10:50 a.m. (Break (10:50 a.m. – 11:00 a.m.))

Brief Topic Description: Fraud in the Health Care Industry. The speaker discusses medical fraud and examines the ways fraud pervades the health care industry. Analysis of the health care delivery system from a law enforcement perspective will focus on investigative techniques dealing with both criminal prosecution and civil enforcement against unscrupulous medical providers.

11:00 a.m. – 11:50 a.m. (Lunch Break 11:50 a.m. – 12:30 p.m.)

Brief Topic Description: The Medicaid Audit Process. The speaker discusses how the Medicaid program approaches audits of medical providers, which is frequently the backbone of a criminal prosecution.

Speaker #3 – Honorable Rob McKenna
Washington State Attorney General

Brief Speaker Biography:

Honorable Rob McKenna is the chief legal officer for the State of Washington. He manages AGO attorneys and staff members in 27 divisions across the State of Washington from his office in the state's capitol, Olympia, WA. These divisions provide legal services to more than 230 state agencies, boards, and commissions. His office helps citizens through antitrust enforcement and consumer protection issues, as well as protects the environment and utility customers.

12:30 p.m. – 1:20 p.m. (Break 1:20 p.m. – 1:30 p.m.)

Brief Topic Description: Current Events in the Attorney General's Office. Honorable Rob McKenna will discuss many of the ways his office is making a difference every day for the people of the State of Washington. As a policy leader, his top priorities are as follows: (a) consumer protection - by fighting ID theft and the latest scams; (b) government accountability - by promoting open government; and, (c) community safety - by protecting children, families, and seniors in their communities and on the Internet. He will discuss current issues of interest to his office and to the citizens of our state.

Speaker #4 – Doug Walsh, Chief, Consumer Protection Division
Washington State Attorney General's Office

Brief Speaker Biography:

Doug Walsh has 29 years of state government service, including devoting the past 20 years to fostering a fair and competitive marketplace for consumers and businesses where he recovered millions of dollars in consumer restitution, costs, fees, and civil penalties. He is one of the nation's top experts in deceptive auto sales practices and the primary author of several state consumer protection laws. His law degree is from the University

of Puget Sound, and his undergraduate degree is from the University of Washington. He is past chair of the Washington State Bar Association's Consumer Protection Committee, and works in Seattle, WA.

1:30 p.m. – 2:20 p.m. (Break (2:20 p.m. – 2:30 p.m.)

Brief Topic Description: Operations and Civil Law Enforcement Under the Consumer Protection Act in Washington. The speaker identifies the key elements of consumer protection laws in the State of Washington. He will also discuss the operations of his office which have important implications for every citizen, as well as consumer protection case studies from his life experiences dealing with this most sensitive area.

Speaker #5 – Marie Rice, CFE, CIA, CICA
Forensic Audit Specialist at Heiskell MacGillivray & Associates in Spokane, WA; and, President of the Spokane Chapter/ACFE

Brief Speaker Biography:

Marie Rice specializes in forensic accounting and fraud investigations at her Spokane, WA firm. She has assisted law enforcement attorneys and victims during the investigation of white collar crimes and with other litigation support issues. She was awarded the Chief's Citizen Award by the Spokane Police Department, and the Outstanding Achievement in Outreach and Community Service Award by the Association of Certified Fraud Examiners. She holds a BA Degree in Accounting from Eastern Washington University.

2:30 p.m. – 3:20 p.m. (Break 3:20 p.m. – 3:30 p.m.)

Brief Topic Description: Know the People. Auditors are taught to document internal controls and business processes, but people affect those same systems. This session will discuss the importance of including personal motivation in the audit planning process.

3:30 p.m. – 4:20 p.m. (Wrap-Up 4:20 p.m. – 4:30 p.m.)

Brief Topic Description: Correlation, Expectation, and Fraud. Fraud risk is inherently subjective, but can be measured quantitatively. This session will use case studies to demonstrate the application and benefit of using predictive modeling in fraud risk assessments.