

PACIFIC NORTHWEST CHAPTER/ACFE – February 10, 2016

Semi-Annual Board of Officers Meeting Minutes

Call to Order:

President Robert Goehring called the semi-annual meeting of the Board of Officers for February 10, 2016, at 12:30 p.m. in the downtown Seattle training facility to order. Present were Board of Officer Members: Robert Goehring, Pete Miller, James Peet, Treasurer Roger Gulliver, Training Director John Tollefsen, and President Emeritus Joe Dervaes. Julie Armbrust was unable to attend, but participated through e-mail vote (provided in advance to the entire Board) previous to this meeting. Those in attendance represented a quorum of officers. Those in attendance represented a quorum of officers. **Information Only.**

Old Business:

There was no outstanding business from prior Board meeting (June 10, 2015).

Approval of Prior Meeting Minutes:

The Board of Officers unanimously voted to **approve** the meeting minutes for the semi-annual Board of Officers meeting held on June 10, 2015, and the annual Chapter Business Meeting held on June 10, 2015 (both meetings held in Tukwila, WA).

Consent Agenda:

The Consent Agenda is comprised of normal reoccurring Board actions. The Board of Officers unanimously voted to approve the Consent Agenda. There were no items pulled for additional discussion or separate approval.

1. Treasurer Roger Gulliver **authorized** to issue a check in the amount of \$300 representing the Chapter's current year donation to the ACFE Foundation's Ritchie-Jennings Memorial Scholarship Program.
2. President Robert Goehring **authorized** to register the Chapter at no cost as a supporter of the ACFE Annual National Fraud Awareness Week in mid-November 2016 (www.FraudWeek.com) and to select the following methods of support:
 - Newsletter of Publication
 - Social Media and/or Blogging
 - Spreading the Word
3. The following **informational items** were provided regarding the presentation of the Chapter 2015 Distinguished Achievement Award to Chapter Member Ken Wilson, CFE, CSAR:

- Award was previously approved by the Board (February 11, 2015 Meeting), Chapter Membership (June 10, 2015) and the ACFE.
 - President Robert Goehring will make the presentation during today's Fraud Seminar. Pictures will be taken for publication in the Chapter March/April Newsletter.
4. The following actions were **approved** regarding the Annual Chapter Business Luncheon to be held on June 8, 2016, at the Bahama Breeze Restaurant (Westfield Mall, Tukwila):
- Establishment of registration fees as follows: Members (\$10) and Non-Members (\$15)
 - The Chapter will pay all costs associated with the luncheon meal held in conjunction with this meeting
 - President Robert Goehring authorized to purchase five Amazon gift cards for \$25 each as door prizes (Board Members not eligible to receive door prizes)
 - Treasurer Roger Gulliver authorized to reimburse President Robert Goehring for the cost of the gift cards, and authorized to pay the luncheon meal costs for Chapter members.
5. Joint Chapter/ACFE 2015 Fraud Training Class. The ACFE hosted its training entitled, *Controlling the Risk of Asset Misappropriation in SeaTac* at the Hilton Seattle Airport and Conference Center on October 19-20, 2015. Related Board actions and other information:
- Complementary Registrations. At the February 11, 2015 meeting, the Board of Officers unanimously voted to **authorize** the three complementary registrations to President Robert Goehring, Board Member-at-Large Pete Miller, and Training Director John Tollefsen (separate votes – each benefitting Board Member abstained from the related vote). In August 2015 Training Director John Tollefsen advised that he would not be able to attend due to a scheduling conflict.
- The Board of Officers confirmed its unanimous vote (Board Member at Large James Peet abstained) by e-mail to **authorize** reassignment of this complementary registration to Board Member at Large James Peet.
- ACFE Rebate Check. President Robert Goehring reported that on December 14, 2015 the Chapter received the ACFE Rebate check

in the amount of \$750. There were 44 paid attendees and the ACFE Rebate is calculated as a fixed \$750 plus an additional \$20 per paid attendee over the ACFE's projected attendance.

Informational Note Only

Agenda:

1. Chapter Board Elections. The Chapter needs to hold elections for the positions on the Board of Officers this year for the two-year term ending June 30, 2018. Related Chapter Board actions and other information:
 - a. Positions. Board Member-At-Large James Peet advised that he would not seek re-election. All other current members of the Board indicated that they would like to continue in office for another term. After some discussion the Board unanimously **authorized** President Robert Goehring to seek candidates for the vacant position as follows:
 - Announcement at the February 10, 2016 Fraud Seminar
 - Notification in the March/April and May/June Chapter newsletters
 - All member e-mail notification
 - Direct contact with members through e-mail identified by the Board as potential candidates
 - b. Election Process. The Chapter made an initial announcement in the November-December 2015 bi-monthly newsletter and will make subsequent announcements through future newsletters and the February Chapter Fraud Seminar and at the May Chapter Fraud Conference events. President Robert Goehring will appoint three Chapter members as the Nominating Committee (Kent Hanson, Jake Jacobson, and Cliff Whipple), and will provide the Committee with the slate of individuals and positions for the upcoming elections in June 2016. The agreed-upon slate of officers will then be published in the newsletter, and ballots will be provided at the Chapter Annual Business Luncheon on June 8, 2016. President Robert Goehring will then appoint two Chapter members as the Elections Committee from those eligible members attending the Annual Business Meeting to count the votes and make a final report to the Membership at the meeting.
Information Only
2. 2016 Pacific Northwest Chapter/ACFE Annual Fraud Conference. The Conference will be held at the La Quinta Inn & Suites in Tacoma, WA on May 2, 2016. Related Chapter Board actions and other information:

a. At its June 10, 2015 meeting, the Board of Officers unanimously **authorized:**

- Conference location and date as indicated above
- Appointment of Board Member-at-Large Pete Miller as Conference Coordinator and Conference Co-Chair, and President Robert Goehring as Conference Co-Chair
- Establishment of 8 hours CPE, including two hours meeting the ACFE annual Ethics requirement
- Establishment of registration fee rates, including Chapter discounts and early bird special discounts as follows:
 - ✓ Registration and payment received on or before April 11, 2016 - \$150
 - ✓ Registration and payment received between April 12 and April 25, 2016 - \$175
 - ✓ Registration received after April 25, 2016 - \$200

Chapter members will receive a \$50 discount from these rates.

- Maintaining the 2015 conference financial policies as follows:
 - ✓ Full refund for canceling by e-mail on or before April 11, 2016
 - ✓ For cancelling by e-mail after April 11, 2016 the option of applying registration fee to the 2017 Annual Fraud Conference or transferring the registration to another person
 - ✓ No refunds or credit will be given for "no shows"
- Complementary registrations for Board of Officers, the Training Director and the President Emeritus. These individuals will assist in the Conference activities, including but not limited to, planning, administrative, and same day registration duties.

b. Speakers and Topics. The speakers and topics have been confirmed, approved by the ACFE and advertised on the Chapter website (www.fraud-examiners.org) and Chapter Newsletters.

- Mark Calvert, CPA, CFE, CIRA, CTP, Managing Director of the Cascade Capital Group, Topic: Company Checks Used to Pay CFO's Personal Credit Card Debt
- Carol A. Morgan, CFE, CPA, CIA, CCEP, CISA, CGMA, Vice-President of Audit & Risk Management Services for World Vision US, Topic: "You Completed a Fraud Risk Assessment: Now What Do You Do With The Information?"
- Dr. Brian K. Steverson, Faculty President, John L. Aram Chair in Business Ethics, School of Business Administration, Gonzaga University, Topic: "Ethics in Social Media"
- Gina St. George, CPA, CFE, Senior Manager with Moss-Adams, LLP, Topic: "Fraudster Profiling"

Information Only.

- c. Administrative Tasks and Logistics. Conference Coordinator (and Board Member at Large) provided a status update. The PowerPoint presentations are due by March 31, 2016. President Robert Goehring reported that President Emeritus Joe Dervaes had received name tags for each member of the Board of Officers, each Chapter Committee Member as well as a significant number of blanks. The Board also discussed the option of continuing to provide participants with flash drives containing the conference presentations and other information the day of the conferences.

Information Only.

3. ACFE 27th Annual Fraud Conference and Exhibition. The ACFE's Annual Fraud Conference will be held June 12 - 17, 2016 at the Aria in Las Vegas, NV. Related Chapter Board actions and other information:
 - a. Chapter Representative. President Emeritus Joe Dervaes announced that he will not be attending this conference. After some discussion the Board unanimously voted (John Tollefsen abstained) to **appoint** Training Director John Tollefsen to serve as the Chapter Representative for the annual meeting held in conjunction with the 26th Annual Fraud Conference and Exhibition, and to **authorize** Treasurer Roger Gulliver to pay not more than \$500 each towards the expenses of the Chapter Representative while attending the Conference. The Board unanimously (Julie Armbrust abstained) voted to **appoint** Vice-President Julie Armbrust as an alternate in the event the Chapter Representative cannot attend.

- b. Chapter Team Registration. The Pacific Northwest Chapter/ACFE will again participate in the "team registration program" sponsored by the ACFE. This program provides substantial discounts for Chapter members registering for Main Conference or the Full Conference in groups of at least three. Six Chapter Members participated in this program last year and received at least a \$100 discount as a result. This program will be advertised through the Chapter Newsletters and through e-mail notification to Chapter Membership. *Members must have paid their 2016 Chapter dues and must register directly through the Chapter to qualify for this discount.* **Information Only.**
4. Chapter 2016 Fraud Training Seminars. Speakers and topics have been determined as follows:
 - February 10, 2016. Speaker: Jim Cronin, MPA, CFE. Topic: Searching Washington Court Records
 - June 8, 2016 (Annual Business Meeting). Speaker/Topic: Pending
 - August 10, 2016. Speaker/Topic: Pending
 - October 12, 2016. Speaker/Topic: Pending
 - December 7, 2016. Speaker/Topic: Pending

The Board discussed potential speakers for the June, August, October and December Fraud Seminars, and well as calendar year 2017 training events and will work to fill these speaking slots. President Robert Goehring provided the Board with a three-year history of Chapter Training Event activities, including the:

- Training Date
- Training Type, e.g. Conference/Fraud Seminar
- Speaker
- Title/Topic

President Robert Goehring will coordinate these efforts.

Information Only

5. Joint Chapter/ACFE 2016 Fraud Training Class. President Robert Goehring advised that, as previously communicated to the Board via e-mail, the ACFE notified him that it would not be holding this training in 2016. Related Board actions and other information:

- Additional Chapter Fraud Seminar. The ACFE training held in October typically provides at least 16 hours CPE. The Board confirmed its unanimously vote by e-mail to **authorize** addition of one additional 2-hour Chapter Fraud Seminar to be held at the Seattle Training Facility on October 12, 2016. President Robert Goehring reported that he had already reserved the room for this event.
 - Complementary Registrations. The Board took no action regarding assignment of the three complementary registrations available for this event. **Informational Note Only**
6. Appointment of Pro Bono Consultant and Adoption of Related Policy. The Board of Officers confirmed its majority previous vote by e-mail to **appoint** Chapter Member Mike Nurse, CPA, CFE, CGMA as the Chapter Pro Bono Consultant. The Board of Officers further confirmed its unanimous previous vote by e-mail to **establish** a consulting services policy and related bi-annual pro bono consultant services with the first engagement for the fiscal year ended June 30, 2015.
7. Consultant's Report on Financial Statements and Supporting Documentation. On January 26, 2016 Clark Nuber provided President Robert Goehring with the Consultant's Report on Financial Statements and Supporting Schedules for the Fiscal Year Ended June 30, 2015. Related Chapter Board actions and other information:
- a. On January 28, 2016 President Robert Goehring provided this report to the Board of Officers for review and consideration in advance of the February 10, 2016 Board Meeting. There was one instance noted in which a reimbursement was understated by \$3.00, and there were two observations concerning the following areas:
 - Written Financial Policies and Procedures
 - Mileage Reimbursement Rate (primarily related to usage of for-profit v. not-for-profit rate)

Information Only

- b. The Board of Officers unanimously **voted** to thank Chapter Member Mike Nurse, CPA, CFE, CGMA, Chapter Pro Bono Consultant for performing this valuable service for the Chapter, and to thank Treasurer Roger Gulliver for his critical role in this process, and years of continued stellar service to the Chapter.

c. In response to the two observations cited above, President Robert Goehring drafted a proposed *Pacific Northwest Chapter/ACFE Financial Policies* and provided to the Board for advanced review and consideration. There are three overarching areas of this Policy:

- Mission Statement
- About the Pacific Northwest Chapter/ACFE
- Financial Policies:
 - ✓ General Policies, including usage of the for-profit mileage reimbursement rate
 - ✓ Financial Statement Reporting
 - ✓ Authorized Depositories of Chapter Funds
 - ✓ Financial Activities Requiring Board of Officer Approval

After some discussion and subsequent to certain minor amendments, by a majority vote the Board **adopted** the *Financial Policies*.

8. Chapter 2016-2017 Student Scholarship Program. The Chapter offers one annual \$1,000 scholarship. Applicants must first apply for the ACFE Foundation Scholarship program, and then submit their ACFE application package and required Chapter supplemental materials to President Robert Goehring (or another member of the Board of Officers) by February 5, 2016.

President Robert Goehring reported as of today he had only received one application. On February 5, 2016 Elizabeth Stanton submitted an application via e-mail. The applicant's resume, university transcript, and three letters of recommendation (including from a CFE) were provided in advance to the Board for consideration. After some discussion, the Board unanimously voted to **authorize** award of the Chapter 2016-2017 Student Scholarship to Elizabeth Stanton provided that, consistent with Chapter policy, she does not also receive an award from the ACFE Foundation for the 2016-2017 academic year. The Board further **authorized** Treasurer Roger Gulliver to issue a check in the amount of \$1,000 payable to Saint Martins University (Lacey, WA) for the benefit of Elizabeth Stanton in the event she does not receive an award from the ACFE Foundation. On April 17, 2016 the ACFE Foundation will announce its Scholarship Program winners.

9. Chapter 2015 Incentive Award Program Award. Each calendar year the Board recognizes one associate member who becomes a CFE during that year and meets certain other requirements by December 31, by granting him/her an award not to exceed \$500 to help defray the cost of obtaining the CFE professional designation. If there is more than one

Associate Member meeting all of the requirements, then the winner will be selected by drawing during the subsequent year February Chapter Fraud Seminar in Seattle. Calendar Year 2012 was the first year of this program.

President Robert Goehring reported that there was one applicant for the 2015 award; however, that she had not passed the CFE Examination as of December 31, 2015. Accordingly, there will be no award for 2015.

Information Only.

10. Chapter 2016 Incentive Award Program Award. See also Agenda Item 9. President Robert Goehring reported that as of today he had not received any notifications of intent to apply for the 2016 award.
Information Only.

11. Chapter 2016 Distinguished Achievement Award. This award is granted to the Member who has supported the Chapter the most by attending our fraud seminars and conferences, by participating on Chapter committees, and by supporting other ACFE programs and activities. The Board of Officers makes the selection at its February meeting, subject to approval by members attending the June Chapter Business Luncheon Membership Business Meeting, and the ACFE. Related Chapter Board actions and other information:
 - a. Previous Winners Over The Past Five Years. Peter Tobin (2010), John Tollefsen (2011), Gayle Seyl (2012), James Peet (2013), Pete Miller (2014), and Ken Wilson (2015). **Information Only.**

 - b. 2016 Award. After some discussion, the Board of Officers voted unanimously to **approve** the selection of James ("Jim") Tyrrell as the recipient of the 2016 Distinguished Achievement Award subject to final approval by the Membership at the June 8, 2016, Annual Business Luncheon. President Robert Goehring will write the recommendation for the award letter based upon specific input from the selectee.

12. Chapter Financial Statements. Treasurer Roger Gulliver previously provided the financial statements for the Fiscal Year Ended June 30, 2015 to President Robert Goehring, which was then forwarded to the entire Board. We are financially healthy and able to support all of our planned activities for fiscal year 2016. The Board of Officers voted unanimously to **thank** Treasurer Roger Gulliver for his service to the Chapter in maintaining the Chapter's financial records, preparing the financial statements, and a whole host of related duties.

13. ACFE 2016 Chapter Awards Program. The Board discussed whether to nominate either the Chapter or Chapter members in the 2016 ACFE Chapter Awards Program. Applications must be submitted by mid-March

2016. Categories (Won by Pacific Northwest Chapter/ACFE as indicated):

- CFE of the Year
- Educator of the Year (Dr. Bob Holtfreter – July 2006)
- Chapter of the Year (July 2006)
- Chapter Newsletter of the Year (July 2010 and June 2012)
- Outstanding Achievement in Outreach/Community Service (Joe Dervaes – July 2007)

After some discussion the Board voted unanimously **authorized** not submitting any nominations for the 2016 ACFE Chapter Awards Program.

14. Advertising Non-Chapter Training Events in the Chapter Newsletter - DCFPS-Virtual Currency Seminars, LLC

The Board of Officers confirmed its majority vote by e-mail to **authorize** President Robert Goehring to advertise 2016 training events sponsored by DCFPS-Virtual Currency Seminars, LLC in the November/December 2015 B-Monthly Chapter Newsletter. The representative is David M. Long, JD, CAMS, CFE, and the two-day seminars offered in San Diego, Chicago, Atlanta, and Boston are entitled, "*Virtual Currency Money Laundering And Fraud Schemes.*"

15. Advertising Non-Chapter Training Events in the Chapter Newsletter - Policy

There are two types of Chapter Participation:

- Co-Sponsorship involves execution of a formal contract which of course establishes financial benefits and obligations to the Chapter
- Advertising in the Chapter Newsletter which conveys Chapter "endorsement" of the training event

At its February 13, 2013 the Board of Officers adopted the following policy:

- Co-sponsorship must be supported by a formal agreement approved in advance by the Board of Officers. Extra care should be taken in execution of such agreements because of the potential financial exposure placed on the Chapter. All co-sponsored events will be advertised in the Chapter Newsletter.
- Advertising of non-ACFE training events will be based on whether the event meets the training mission of the Chapter and is of a benefit to the Membership. Specific considerations include whether the event activity content is focused on fraud prevention,

detection, investigation and/or prosecution. Further, the sponsoring organization must provide timely notification to the Board of Officers and such notification should include sufficient information about the event.

- Each Member of the Board of Officers may individually reject a solicitation for advertising an event; however, when in doubt the Member should submit the proposal to the Chapter President for submission to the Board of Officers for a vote (e-mail).

The Board of Officers confirmed its majority vote by e-mail to **authorize** addition of the following criteria for co-sponsorship and advertising non-Chapter training events:

- The training must include at least one event held in Western Washington during the calendar year advertised by the Chapter

16. Disposal of Obsolete Chapter Equipment. The Board of Officers confirmed its unanimous previous vote by e-mail to **authorize** President Robert Goehring to authorize the Washington State Housing Finance Commission to dispose of obsolete Chapter equipment in any manner it sees fit. The equipment is comprised of two large picture tube television sets, a VHS-tape video recorder and an overhead projector which was maintained in the WSHFC Training Room.
17. Miscellaneous Chapter Business. Board Member-at-Large James Peet discussed establishing an additional annual Chapter scholarship in the amount of \$250 awarded to an applicant at the junior college level. The Board suggested that he prepare a draft document describing his vision for such a program for review and consideration by the Board at the June 2016 meeting. President Robert Goehring advised that the Board would need to establish a separate application and process for such a program. This item was tabled without further Board action at this time. **Information Only.**
18. Other. There were no other topics raised for discussion and potential action.

Adjournment:

The semi-annual Board of Officers meeting was adjourned at 2:10 p.m. by President Robert Goehring, and the Members then attended the Chapter Fraud Seminar at 2:30 at the Seattle Training Facility.