

PACIFIC NORTHWEST CHAPTER/ACFE – June 12, 2013

Semi-Annual Board of Officers Meeting Minutes

1. Call to Order. President Robert Goehring called the semi-annual meeting of the Board of Officers for June 12, 2013, to order at 10:00 a.m. at the McDonald's Restaurant in Tukwila (near SouthCenter Mall). Present were Board of Officer Members: Robert Goehring, Roger Gulliver and Julie Armbrust; Training Director Norm Gierlasinski; and, President Emeritus Joe Dervaes. Board Officers Bernadette McBride and Jennifer Rauch were not able to attend (working). **Information Only**.

2. Approval of Prior Meeting Minutes. The Board unanimously voted to **approve** the meeting minutes for the semi-annual Board of Officers meeting held on February 13, 2013 (Seattle Training Facility).

3. Old Business. There was no outstanding business from prior Board meetings.

4. New Business.

(a) **Chapter 2013 Distinguished Achievement Award**. Effective with the 2011 Award, the Board of Officers decided to begin making this award 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. At its February 13, 2013 meeting, after some discussion the Board voted unanimously to **approve** the selection of Dr. James Peet as the recipient of the 2013 Distinguished Achievement Award subject to final approval by the Membership at the June 12, 2013, Annual Business Luncheon Meeting. President Robert Goehring will write the recommendation for the award letter based upon specific input from the selectee. The award will be scheduled for presentation at the Chapter's bi-monthly fraud seminar meeting in February 2014. Pictures will be taken and published in a future Chapter newsletter. **The Chapter Membership will be asked to vote on the issuance of this award** to Dr. James Peet at the Annual Luncheon Business Meeting and Fraud Seminar to be held on June 12, 2013.

(b) **Chapter 2013 Incentive Program Award**. Each calendar year the Board recognizes one associate member who becomes a Certified Fraud Examiner during that year and fulfills the other Program requirements by December 31 of that year by granting an award in an amount not to exceed \$500 to help defray the costs of obtaining the CFE credential. If there is more than one Associate Member meeting all of the requirements, then the winner will be selected by a drawing during the subsequent year February Chapter Fraud Seminar in Seattle. Calendar Year 2012 was the first year of this program and Victoria Brazil was the recipient of this award. Chapter President Robert Goehring reported that he has not received any applications for the 2013 Incentive Program Award. The Incentive Program Award is advertised in the Chapter bi-monthly newsletter. Chapter

President Robert Goehring will discuss this program at today's Chapter Membership meeting. **Information Only.**

(c) **Chapter 2013 Student Scholarship Program.** At its June 8, 2011, Board of Officers meeting and annual Chapter Business Meeting, the Board and Membership agreed to eliminate one of the Chapter student scholarships (leaving one still in place) and replace it with a new Chapter Incentive Award Program. There are sufficient funds in the Chapter treasury for the Chapter scholarship program of one scholarship in the amount of \$500. Chapter President Robert Goehring made a report that he had not received any applications for the 2013 scholarship program. After some discussion, the Board **directed** Chapter President Robert Goehring to contact the ACFE regarding whether any Washington students had applied for ACFE Foundation scholarships and, if yes, to obtain the applications and other documentation necessary to evaluate for the Chapter Scholarship Program.

On April 26, 2013 the ACFE **notified** the Chapter Board Members, President Emeritus and the Training Director that the sole applicant from the state of Washington attended an out-of-state university and was the recipient of a \$5,000 Foundation scholarship.

Accordingly, there will be no student scholarship award for 2013 (no official Board action required) because there were no eligible applicants for 2013 (student must be attending a university in the state of Washington and, student cannot win both Foundation and Chapter scholarships for the same year). This was reported in the May-June 2013 Chapter Newsletter. Chapter President Robert Goehring will discuss this program at today's Chapter Membership meeting. **Information Only.**

(d) **Donation to ACFE Foundation's Ritchie-Jennings Memorial Scholarship Program.** The Chapter has supported the ACFE Foundation's Ritchie-Jennings Memorial Scholarship Program in prior years. The Board should continue its participation in this most worthwhile program in 2013 by making a contribution of \$200 again this year, plus another \$100 for the ACFE Foundation Board of Directors Chapter Challenge again this year (\$300 total contribution). Due to a technicality, our 2012 contribution to the ACFE Foundation was not included in the Silent Auction statistics. To remedy that situation, our contribution this year was indicated as totally for the "Chapter Challenge". At its February 13, 2013 meeting, the Board unanimously voted to **authorize** Treasurer Roger Gulliver to send \$300 to the ACFE Foundation for the "Chapter Challenge" as part of the Silent Auction program to raise funds for student scholarships in 2013.

(e) **ACFE National Fraud Awareness Week.** The ACFE National Fraud Awareness Week is an annual event. The kick-off for this event will be in mid-November 2013. There are typically over 600 Official Supporters for this event. Supporters must register with the ACFE. There are six methods offered for becoming a Supporter, including advertising the Chapter's support in the Chapter newsletter. Historically, this is the option selected by the Chapter noting that there is no cost associated with this option. At its February 13, 2013 meeting, the Board unanimously voted to **authorize** President Robert Goehring to register the Chapter as a supporter of National Fraud Awareness

Week (www.FraudWeek.com) and to select “Newsletter or Publication” as the method selected when ACFE announces the program later this year. There was discussion regarding what more, if anything, that the Chapter could do to further advertise this event as well as provide greater fraud awareness for the community.

(f) **ACFE’s 23rd Annual Fraud Conference and Exhibition**. The ACFE’s Annual Fraud Conference will be held at the ARIA Resort & Casino in Las Vegas, NV from June 23-28, 2013. Related Chapter Board actions and other information:

- (1) **Chapter Representative at Annual Fraud Conference**. At its February 13, 2013 meeting, the Board confirmed its unanimous previous vote by e-mail to **appoint** President Emeritus Joe Dervaes to serve as the Chapter Representative for the annual meeting held in conjunction with the 24th Annual Fraud Conference and Exhibition in Las Vegas, NV (June 23-28, 2013), and to **authorize** Treasurer Roger Gulliver to pay not more than \$500 towards expenses of the Chapter Representative while attending the Conference. Joe will take notes and make a report to the Chapter on the content of this meeting which will be published in a future Chapter newsletter.
- (2) **Chapter Team Registrations**. Seven Chapter Members (Julie Armbrust, Steve Geertz, Nancy Lalic, Linda Saunders, Peter Tobin, John Tollefsen, and David Wilkinson) participated in the “team registration program” sponsored by the ACFE and received at least a \$100 discount on the “Early Registration” (April 5, 2013) Conference registration fees as a result. **Information Only**.

(g) **Annual Chapter Luncheon Business Meeting and Fraud Seminar**. The annual Chapter luncheon business meeting will be held at noon on June 12, 2013, at the Bahama Breeze Restaurant at SouthCenter Mall in Tukwila. Training Director Norm Gierlasinski has made the restaurant reservations for this meeting. Related Chapter Board actions and other information:

- (1) **Registration Fee**. At its February 13, 2013 meeting, the Board unanimously voted to **approve** an attendance fee of \$10 for Chapter Members and \$15 for Chapter Non-Members \$15 for the Fraud Seminar. The Chapter will pay all costs associated with the luncheon meal held in conjunction with this meeting.
- (2) **Door Prizes**. At its February 13, 2013 meeting, after some discussion the Board unanimously voted to **authorize** President Robert Goehring to purchase five Starbucks gift certificates for \$25 each as door prizes for the annual business meeting on June 12, 2013, to **authorize** Treasurer Roger Gulliver to reimburse President Robert Goehring for this door prize expense and to pay the luncheon meal costs for this Chapter meeting. Further, the Board unanimously voted to **establish a policy** whereby Chapter Board members, the Training Director and the President Emeritus are not eligible to receive these door prizes.

- (3) Chapter 20th Anniversary Cake and Decorations. **Confirming their unanimous vote to approve this action** by e-mail, the Board also unanimously voted to **authorize** Treasurer Roger Gulliver to reimburse Board Member-at-Large Julie Armbrust for the purchase of a cake to commemorate the Chapter's 20th Anniversary at the June 12, 2013 Chapter Annual Luncheon Business Meeting and Fraud Seminar.
- (4) Incentive Program Award, Chapter Student Scholarship Program Award, and the Need for Speakers. Chapter President Robert Goehring will discuss these items as "announcements" at today's Chapter Membership meeting.

(h) **Annual Chapter Training Calendar.** The Board has identified speakers and topics for all of the rest of our fraud training events in calendar year 2013 as well as for the February 12, 2014 Bi-Monthly Fraud Seminar (Dr. John Tollefsen – Ethics). This presentation will meet our members' requirements for ACFE ethics training in 2014. Further, it is likely that the speaker originally scheduled for the August 14, 2013 Bi-Monthly Fraud Seminar will be able to speak at the April 2014 event. There was discussion held regarding completion of the agenda for the speakers and topics for the rest of calendar year 2014, with all members of the Board agreeing to continue to research on future topics and speakers for our training calendar. Chapter President Robert Goehring will discuss the need for speakers at today's Chapter Membership meeting. **Information Only.**

(i) **Chapter August 2013 Bi-Monthly Fraud Seminar.** The final two-hour Chapter bi-monthly fraud seminar of the year will be held on Wednesday, August 14, 2013, at our downtown Seattle training facility. The speaker for this event is Board Vice-President Bernadette McBride, Senior Investigator – Financial Examiner, Washington State Department of Financial Institutions. The topic of this fraud seminar is "Case Files of DFI".

(j) **2013 Joint CFE Chapter/ACFE Fraud Training Class.** The annual Joint Chapter/ACFE fraud training class will be held in October 28-30, 2013 at the Cedarbrook Lodge (18525 36th Avenue South, SeaTac). The seminars are titled, "Fraud-Related Compliance" (October 28) and "Investigating on the Internet" (October 29-30).

Related Chapter Board actions and other information:

- (1) Registration Fee. The fee for these classes is \$295 and \$600, respectively, for Members and \$395 and \$750, respectively for Non-Members. There is a \$100 discount for registration for both of these classes and the ACFE offers a \$95 discount for early registration (September 27, 2013). **Information Only.**
- (2) Complementary Registrations. Board Members will assist with class registration and certain other administrative duties on-site at the hotel. The Chapter will receive three complimentary registrations to the class, two for assistance with registration duties, and one complimentary from the ACFE as in prior years.

President Emeritus Joe Dervaes will also be able to attend this class because of his prior duties on the ACFE Board of Regents. At its February 13, 2013 meeting, after some discussion the Board unanimously voted to **authorize** the three free class registrations this year for Robert Goehring, Bernadette McBride, and Jennifer Rauch. If any of these Board Members is unable to attend the class, the Board will substitute another Board Member or other Chapter member to replace that person. If other Board members (over and beyond the three individuals mentioned above) desire to attend this class, they will be responsible for paying their own way. The Board **directed** Chapter President Robert Goehring to confirm in advance of this event whether Bernadette McBride and Jennifer Rauch will be able to attend this event. It was noted that two separate individuals could attend each of these classes and this would be counted by the ACFE as one complementary registration.

- (3) Luncheon Expenses for Chapter Members. At its February 13, 2013 meeting, the Board unanimously voted to **authorize** Treasurer Roger Gulliver to pay the luncheon expenses for Chapter Members who attend this training class on the day when ACFE does not provide this service, as we have done in past years (i.e.; the luncheon on day two of the class).
- (4) 2014 Event. The ACFE has not yet selected the course suggested by the Board of Officers, the dates of the class, the hotel location, or the course instructor. The instructor for this class will be announced by ACFE after the topic has been decided. On April 16, 2013, the ACFE provided a listing of potential topics which was provided to the Board for “ranking”. The Top 3 Topics selected by the Board through e-mail vote and communicated to the ACFE were as follows: (1) *[New] Detecting Fraud Through Vendor Audits*, (2) *Fraud Risk Management*, and (3) *How To Testify*. This ranking was provided to the ACFE for consideration. The ACFE is responsible for reserving the dates for this training class.

Information Only.

(k) **2012 Joint CFE Chapter/WSCPA Annual Fraud Conference - Report.** See also the Jan-Feb 2013 Bi-Monthly Chapter Newsletter. The Joint CFE Chapter/WSCPA Annual Fraud Conference was held on December 7, 2012, at the Courtyard Marriott Hotel in Bellevue, WA. There were 93 individuals that attended this event, including 16 Chapter Members. The WSCPA granted two complementary registrations for the Conference Co-Chairs, President Robert Goehring and Training Director Norm Gierlasinski. Further, as in the past, the Chapter reimbursed any of the other four Board Members for registration fees for this conference.

Related Chapter Board actions and other information:

- (1) Financial Consideration – Conference Location Change. The WSCPA actually had a contact with the Meydenbauer Center in Bellevue for this conference; however, the Meydenbauer Center advised that it would not be able to accommodate the conference this year. The WSCPA advised that it would

receive “financial consideration” for the 2013 Conference. At the February 13, 2013 Board Meeting, Chapter President Robert Goehring reported that he was still working with the WSCPA to ensure that the Chapter received an appropriate financial benefit from this action. On March 19, 2013 the WSCPA notified the Chapter President that the “Chapter itself was not financially impacted by this decision” and that the decision was made to put the funds into the WSCPA general conference budget. **Information Only.**

(2) **Chapter Reimbursement.** On April 27, 2013 the Chapter received a check from WSCPA in the amount of \$606.95 calculated as follows:

Revenue (93 Participants)	\$22,638.00
Expenses	<u>18,142.11</u>
Total Profit	\$ 4,495.89
WSCPA Overhead Allocation (\$64 * 93)	\$ 5,952.00
Chapter Overhead Allocation (\$10 * 93)	<u>930.00</u>
Total Overhead Allocation	\$ 6,882.00
Total Expenses	\$25,024.11
Net Loss	\$ (2,386.11)
Split with Chapter (\$4,495.89 * 13.5%)	\$ 606.95

This payment did not include the \$930 due for the \$10 per participant.

Information Only.

(1) **2013 Joint CFE Chapter/WSCPA Annual Fraud Conference.** The joint CFE Chapter/WSCPA Annual Fraud Conference will be held on December 6, 2013, at the Meydenbauer Center in downtown Bellevue, WA. The WSCPA has reserved this date on their training calendar for the Conference and already entered into an agreement with the Center to reserve this training date.

Related Chapter Board actions and other information:

(1) **Registration Fee.** The estimated registration fee for this conference is \$225 for Members and \$300 for Non-Members. **Information Only.**

(2) **Complementary Registrations.** As in the past, President Robert Goehring and Training Director Norm Gierlasinski will be the Co-Chairs and will attend the Conference at no cost. As in the past, the Chapter agrees to pay for the registration fee for this Conference for any of the all other four Board of Officers Members who desire to attend the event. At its February 13, 2013 meeting, the Board unanimously voted to **authorize** Treasurer Roger Gulliver to pay for the

registration fees for all other members on the Board of Officers who want to attend the Conference (a maximum of four).

- (3) **Speakers**. The WSCPA will once again use a format of eight speakers and eight topics for the Conference. The Board has already identified speakers and topics for this conference and communicated this information to the WSCPA. The WSCPA is responsible for working with the speakers for obtaining presentations and other materials for the conference. The Chapter Board will provide support as necessary, e.g. scheduling, potential changes in speakers, etc. **Information Only**.

(m) **Chapter Financial Report**. Treasurer Roger Gulliver reported that the Chapter is financially healthy and able to support all of its planned activities for calendar year 2013. The Board **unanimously voted** to thank Roger for his work in maintaining the Chapter's financial records and preparing the annual financial statements.

(n) **Miscellaneous Chapter Business**. There were no miscellaneous Chapter business items.

5. **Adjournment**. The semi-annual Board of Officers meeting was adjourned at 11:30 a.m. by President Robert Goehring, and the Members then attended the Chapter Annual Luncheon Business Meeting and Fraud Seminar at noon at the Bahama Breeze Restaurant in Tukwila.

Attachments

Minutes: Board of Officers and Annual Business Meetings held on February 13, 2013.

PACIFIC NORTHWEST CHAPTER/ACFE – June 12, 2013

Annual Chapter Luncheon Business Minutes

1. **Call to Order**. President Robert Goehring called the Annual Luncheon Business Meeting for June 12, 2013 to order at 12:45 p.m. at the Bahama Breeze Restaurant at SouthCenter Mall in Tukwila, WA. Those in attendance represented a quorum for the meeting.
2. **Approval of Prior Meeting Minutes**. The Membership unanimously voted to **approve** a summary of the minutes of the Chapter's Annual Luncheon business meeting held on June 13, 2012.

3. Old Business. There was no outstanding business from prior Chapter Board meetings.

4. New Business.

(a) **Chapter 2013 Distinguished Achievement Award.** At its February 13, 2013 meeting, after some discussion the Board voted unanimously to **approve** the selection of Dr. James Peet as the recipient of the 2013 Distinguished Achievement Award subject to final approval by the Membership at the June 12, 2013, Annual Business Luncheon. President Robert Goehring will write the recommendation for the award letter based upon specific input from the selectee. The award will be scheduled for presentation at the Chapter's bi-monthly fraud seminar meeting in February 2014. Pictures will be taken and published in a future Chapter newsletter. The Chapter Membership **unanimously voted** to approve this award to be presented to Dr. James Peet at the Annual Luncheon Business Meeting and Fraud Seminar held on June 12, 2013.

(b) **Award of Chapter Door Prizes.** At its February 13, 2013 meeting, after some discussion the Board unanimously voted to **authorize** President Robert Goehring to purchase five Starbucks gift certificates for \$25 each as door prizes for the annual business meeting on June 12, 2013. Further, the Board unanimously voted to **establish a policy** whereby Chapter Board members, the Training Director and the President Emeritus are not eligible to receive these door prizes. Based upon a drawing, the gift certificates were awarded to the following members present at the meeting: Bob Fuhriman, Raj S. Johal, Peter Miller, Margaret Songtantaruk and Ben Wolfgram.

(c) **Pacific Northwest Chapter/ACFE 20th Anniversary.** On March 31, 1993, Joe Dervaes established the Pacific Northwest Chapter/ACFE's. The Chapter is one of 148 worldwide chapters and consists of 138 members, 32 associate members and seven student members. Special thanks to Board Member Julie Armbrust for designing and ordering the cake. Chapter President Emeritus Joe Dervaes read off a listing of the Founding Members and asked those Founding Members present to gather around the cake for pictures for publication in the Chapter Newsletter and the *ACFE Chapter Register*.

(d) **2013 Chapter Incentive Program Award.** Chapter President Robert Goehring provided a brief overview of the eligibility requirements and noted that as reported in the March/April 2013 Chapter Newsletter Victoria Brazil was the winner for the 2012 calendar year. Robert advised that no applications had been received to date for the 2013 calendar year award and encouraged anyone that was interested (or knew someone that may be interested) to contact him.

(e) **2013 Chapter Student Scholarship Program Award.** Chapter President Robert Goehring provided a brief overview of the eligibility requirements and noted that as reported in the May/June 2013 Chapter Newsletter there was no winner for 2013. Robert further noted that the Chapter did not receive any applications and that there were no eligible applicants from the ACFE scholarship program. There was discussion during the

Chapter meeting about evaluating the eligibility requirements for a Chapter award including whether students attending a two year college and/or attending an out of state institution should be eligible. Robert advised that this will be further evaluated by the Board of Officers and that the Board would report back to the Membership at the next meeting.

(f) **Chapter Event Speakers.** Chapter President Robert Goehring provided a brief overview of the training events provided by the Chapter each year noting that they are comprised of the Fraud Seminars (February, April, June and August) and the Joint Chapter/WSCPA Annual Fraud Conference (December). Robert advised that the Board was always looking for speakers for these events and anyone interested in serving in this role was encouraged to contact Robert for more information. Robert stated the goal was to have upcoming events staffed at least a year in advance as well as to have a listing of speakers available in the event someone needs to cancel.

5. **Adjournment.** The Annual Luncheon Business Meeting was adjourned at 1:00 p.m. by President Robert Goehring, and the Membership then attended the fraud seminar presentation by James S. Peet, Ph.D., CFE, geography instructor at Highline Community College and the Principal Manager of Peet & Associates, LLC, on the topic of “Being An Investigator”.