

CFE UPDATE  
May-June 2001

**Chapter Board of Officers**

President: Norman J. Gierlasinski, PhD, CFE, CPA, CIA  
Professor, Central Washington University (206) 439-3800, Extension 3825  
“normang@cwu.edu”

Vice-President: Joseph R. Dervaes, CFE, CIA (360) 710-1545  
Director of Special Investigations, Washington State Auditor’s Office  
“dervaesj@sao.wa.gov”

Secretary-Treasurer: Rober B. Gulliver, CFE, CPA, CISA, CBA  
Owner, Robert B. Gulliver, CPA (253) 735-2392  
“RBG@halcyon.com”

Director-At-Large: Robert L. Fuhriman, CFE, CPA  
PriceWaterhouseCoopers (206) 398-3047  
“robert.fuhriman@us.pwcglobal.com”

Director-At-Large: Gail G. Rogers, CFE, CIA  
Owner, Rogers Business Examination Services (253) 952-6282  
“trlanakila@home.com”

## **Chapter Fraud Seminar Training and Meeting Dates**

Future fraud training events for calendar year 2001 are as follows:

June 27, 2001 – Chapter Fraud Seminar, Seattle.

August 29, 2001 - Chapter Fraud Seminar and Annual Business Meeting, Best Western Southcenter, Tukwila.

October 25 & 26, 2001 - Joint Chapter and Association of CFE's Fraud Conference, Doubletree Inn, SeaTac.

December 4, 2001 – Joint Chapter and WSCPA Fraud Conference, Marriott Hotel, SeaTac. **(NOTE: This is the right date for this class and corrects a typographical error from prior newsletters. Sorry.)**

**Be sure to mark these important dates on your training schedule and plan to attend.**

**The Chapter Board of Officers announces the following changes regarding our fraud seminar training facility in downtown Seattle.** The State of Washington Housing Finance Commission that controls the conference room where our meetings are held has asked for our cooperation in implementing these changes.

- (1) First, **security** has changed in the building. The staff asked us to go to the Commission's main offices on the 27<sup>th</sup> Floor and **sign-in with the receptionist** before going to the 28<sup>th</sup> Floor conference room for the fraud seminar. They didn't say anything about signing-out. So, we'll provide that information to you at the seminar.
- (2) Second, the **timing** of our fraud seminar has changed. The staff asked us to depart the facility promptly because their duty day ends at 5:00 p.m. Therefore, **we will begin all meetings promptly at 3:00 p.m. and wrap-up all fraud seminars at 4:45 p.m. sharp** so that we can comply with this new requirement.

The Chapter Board of Officers appreciates your cooperation as we implement these changes.

## **9<sup>th</sup> Annual Ritchie-Jennings Memorial Scholarship Program**

For the 9<sup>th</sup> year, the Association of CFE's is pleased to award a number of scholarships through its Continuing Education Committee. Fifteen scholarships of \$1,500 each will be awarded through the Ritchie-Jennings Memorial Scholarship Program in honor of Tracy Ritchie, CFE, and Larry Jennings, CFE, who both died in a terrorist attack in Pakistan on November 12, 1997.

Through this scholarship program, the Association supports the education of college students who may become Certified Fraud Examiners in the future. The scholarships will be awarded to full-time undergraduate or graduate students majoring in accounting or criminal justice. Junior college, community college, and high school students, including graduating seniors, are not eligible.

There is also a Pacific Northwest Chapter Scholarship Program. The Chapter awards one \$500 scholarship each year to the most deserving candidate. The postmark deadline for submitting application materials for both the Chapter and Association scholarship programs has now passed. We wish all candidates from the Pacific Northwest great success in this very stiff national scholarship competition. We'll let everyone know the results of this competition as soon as the Association announces the winners.

## **News About Chapter Members**

The professional reputation of Chapter President, Dr. Norman Gierlasinski, CFE, CPA, CISA, and Professor of Accounting at Central Washington University (SeaTac Center), has grown to new heights. We can now say that he is a noted speaker around the world. During the fourth week of May 2001, Dr. Gierlasinski presented a paper on life insurance fraud at the Pan-Pacific Conference in Vina del Mar, Chile. Congratulations Norm on this significant achievement. You represent the Association of Certified Fraud Examiners and the Pacific Northwest Chapter of the Association of Certified Fraud Examiners very well. For the rest of us in the Chapter, please let Norm know how much you appreciate his talents. He's a valuable resource.

## **Chapter Elections.**

At our Annual Chapter Business Meeting on August 29, 2001, we will be electing a new slate of officers for the Pacific Northwest Chapter. As indicated in the semi-annual Board of Officers meeting below, we will have at least one vacancy this year. If there is a sufficient amount of interest, at least two additional Members of the Board have indicated they would be willing to step aside and not seek re-election. This would then give the Chapter an opportunity for a fresh breath of air and a chance to hear a new voice from the membership (up to three positions could be made available).

Members of the Board serve a one-year term, and can be re-elected to the Board in the same position for an additional one-year term. Members can serve on the Board for an extended period if subsequently elected to a different position on the Board.

This could be the year for significant change on our Board of Officers. Are you up to the challenge? First, someone must be willing to make a commitment to serve. Who will throw their hat into the ring? We're looking for your talent and your ideas. So, this is your call to arms! **P.S.: We need to hear from you promptly.**

Please contact Linda Saunders, CFE, CPA, at (206) 842-4809, or Joe Dervaes, CFE, CIA, at (360) 710-1545 if you are interested in serving the Chapter as a member of the Board of Officers.

### **Chapter Representative to Association Annual Fraud Conference**

As indicated in the semi-annual Board of Officers meeting below, we need someone from our Chapter to attend the meeting of all Chapter Representatives held in conjunction with the Annual Fraud Conference in Orlando, Florida. The 12<sup>th</sup> Annual Fraud Conference and Trade Show will be held at Walt Disney World, Dolphin Hotel, Lake Buena Vista (Orlando), Florida. The main conference is from August 6-8, 2001 (Monday – Wednesday), and the Chapter Representatives Meeting is held the morning of August 5, 2001 (Sunday).

Are you planning to attend the Annual Fraud Conference? If so, the Chapter will pay \$500 towards your expenses for the trip if you will attend the Chapter Representatives Meeting and bring us back a report of what happened. This is where we find out where we've been this past year and where we're going this next year. Your information will be reported to the membership in the bi-monthly Chapter Newsletter following the Annual Fraud Conference. This is an important task. Who will throw their hat into the ring for this assignment? **P.S.: We need to hear from you promptly.**

Please contact Linda Saunders, CFE, CPA at (206) 842-4809, or Joe Dervaes, CFE, CIA, at (360) 710-1545 if you are interested in serving the Chapter as our Representative at this important Association meeting.

### **Chapter Web Site**

As indicated in the semi-annual Board of Officers meeting below, we need someone from our chapter to help us establish a Chapter Web Site. This would become the primary source of advertising about our Chapter operations. It would also replace our bi-monthly Chapter Newsletter which would result in a significant dollar savings to the Chapter. The current Board of Officers is unable to devote a sufficient amount of time and effort to this important project, and agreed to ask the membership for volunteers to perform this vital function.

Are you up to the challenge of computer skills, time, and energy? First, someone must be willing to make a commitment to serve. Who will throw their hat into the ring? We're looking for your talent and innovative ideas. **P.S.: We need to hear from you promptly.**

Please contact Linda Saunders, CFE, CPA, at (206) 842-4809, or Joe Dervaes, CFE, CIA, at (360) 710-1545 if you are interested in serving the Chapter as a member of the Board of Officers.

### **Training Opportunity**

Melissa Huelsman, Associate Member of the Association of CFE's and Pacific Northwest Chapter/ACFE, has been working with the Washington State Bar Association to put together a program for senior citizens. The training involves how to avoid fraudulent investment, telemarketing, and other schemes and will be designed to provide advice to them on what victims can do in these situations. She's looking for help from other CFE's who might be interested in working on this project. Melissa is a lawyer with lots of fraud experience and needs your help to succeed in this most worthwhile endeavor. She is polling the audience and wants to know if you are interested. If so, please contact her by e-mail at [Huelsman2@aol.com](mailto:Huelsman2@aol.com) or by cell phone at (206) 949-9011. Your Chapter Board of Officers thanks you in advance for volunteering to participate in this training opportunity. This would be good for you personally and professionally, and would also be good for the Chapter. Any takers?

### **Job Vacancy Announcement**

The Washington State Attorney General's Office, Medicaid Fraud Control Unit, Tacoma, Washington, announced on April 10, 2001, that there was a job vacancy in their office for an Investigator/Auditor position. This may be a late notice due to the cycle of our Chapter newsletters. However, it still might be worth contacting the office to check on the status of this position. The position was initially posted on the Washington State web-site. The contact point is Michael D. Keller, Chief Investigator, Criminal Justice Division, Medicaid Fraud Control Unit, (253) 593-6151, [MichaelK2@ATG.WA.GOV](mailto:MichaelK2@ATG.WA.GOV).

### **Minutes of Semi-Annual Board of Officers Meeting**

The Board of Officers of your Chapter held its semi-annual meeting just prior to the April 25, 2001, fraud seminar in Seattle to deliberate important issues facing us in the coming year. The following is a summary of the events.

(1) Election of Officers. Gail Rogers, Director-At-Large, has decided that she will not pursue another term of office so that she can enjoy those retirement years even more than before. That's the bad news. But, the good news is that she will continue in her duties related to the Chapter Membership Directory and Chapter Library. For that, we are all thankful. The Board thanks Gail for her many years of service in a wide variety of positions on the Board. Gail just passed the eight-year mark on the Board of Officers. In fact, she was not only a Charter Chapter Member, but also a Charter Chapter Member of the Board of Officers. The Board asked Linda Saunders to join us at the meeting because of her prior involvement in the life and times of the Pacific Northwest Chapter.

If there is a sufficient amount of interest in Board positions, at least two additional Members of the Board have indicated they would be willing to step aside and not seek re-election. This would then give the Chapter an opportunity for a fresh breath of air and a chance to hear a new voice from the membership. This could be the year for significant change on our Board of Officers. We will include this announcement in the May/June 2001 Chapter Newsletter.

The Board tabled any action on developing a slate of officers for the coming year until we hear from the membership after the next Chapter Newsletter is issued. The Board of Officers will serve as the Elections Committee and will make a determination on this matter before the Annual Business Meeting.

(2) Scholarships. Chapter President Norm Gierlasinski made the Scholarship Committee report on the results of this years competition for the annual \$500 scholarship award. The Chapter sponsored a Primary and Alternate candidate to the Association's Scholarship Program. The candidates and their status are as follows:

Chapter Primary Candidate: Deborah E. Mitchell, Central Washington University (SeaTac Center), Accounting Major, Graduates Winter 2002.

Chapter Alternate Candidate: Monika Blas, Seattle Pacific University, Accounting Major, Graduates June 2003.

Additional Candidate: Angela N. Taggart, University of Washington, Accounting Major, Graduates June 2002.

If the Primary candidate wins an Association scholarship, the Alternate candidate automatically is awarded the Chapter's scholarship. If the Primary candidate does not win an Association scholarship, the Primary candidate automatically is awarded the Chapter's scholarship. We will include this announcement in the May/June 2001 Chapter Newsletter.

(3) Speaker, June 27, 2001, Chapter Fraud Seminar. Chapter Director-At-Large, Bob Fuhriman, was instrumental in arranging for the Honorable Richard C. Tallman, United States Circuit Judge, to speak at our next Chapter Fraud Seminar. Judge Tallman will discuss good and bad fraud cases from his perspective. This will be an event you do not want to miss.

(4) Chapter Representative at the Association Fraud Conference. We need someone from our Chapter to attend the meeting of all Chapter Representatives held in conjunction with the Annual Fraud Conference in Orlando, Florida, on August 5, 2001. The Chapter will pay \$500 towards the member's expenses for the trip. The only requirements are that the member attend the Chapter Representatives Meeting and bring us back a report of what happened. This information will then be reported to the membership in the bi-monthly Chapter Newsletter following the Annual Fraud Conference. We will include this announcement in the May/June 2001 Chapter Newsletter.

(5) Speaker, August 29, 2001, Annual Chapter Business Meeting. Chapter President Norm Gierlasinski, was instrumental in arranging for the speaker at our Annual Chapter Business Meeting. Bob Floberg, Pierce County Detective, will be speaking on the topic of Gypsy Gangs and how they operate in the Pacific Northwest. Be sure to put this meeting and fraud seminar on your training calendar. There will be one hour of free Continuing Professional Education. The meeting is held at the Best Western Southcenter. The luncheon cost is again “free” this year for Chapter Members. Come join your fellow professionals. In addition, the Board of Officers will hold it’s semi-annual meeting at the hotel prior to this event.

(6) Annual 2-Day Fraud Conference with the Association. The Chapter will again sponsor a 2-day Fraud Conference with the Association on October 25-26, 2001, at the Doubletree Inn, SeaTac. The title of the seminar this year is “Fraud in the 21<sup>st</sup> Century”. The Chapter receives two “free” registrations for members who assist the association with registration at the conference, and one “complimentary” registration. Board Members will use these three registrations. Chapter Vice-President Joe Dervaes will not be able to attend the meeting this year, and will receive the same training sponsored by the Oregon Chapter in May 2001. If all four Board Members are able to attend the Fraud Conference, the Board approved paying the registration fee for the fourth member. In addition, the Board approved paying for lunch on each day of this training for Chapter Members who attend the Fraud Conference.

(7) Annual 1-Day Fraud Conference with the Washington Society of CPA’s. The Chapter will again sponsor a 1-day Fraud Conference with the Washington Society of CPA’s on December 4, 2001, at the Marriott Hotel, SeaTac. Conference Co-chairpersons are Chapter President Norm Gierlasinski and Chapter Vice-President Joe Dervaes. All Board Members were given assignments to work on speakers for this annual Fraud Conference. There will be four two-hour blocks of instruction. Tentative topics will be a panel of attorneys discussing the Federal Sentencing Guidelines, two attorneys discussing recent changes in the Washington State RICO statute, an insurance investigation discussing insurance fraud, and a case study on skimming of revenue in private non-profit organizations.

(8) Distinguished Achievement Award. The Board approved the annual Distinguished Achievement Award for 2001 for Rick Osborn. Rick has been a Charter Chapter Member and has performed our annual audit for the past eight years. He provides this valuable service to the membership at no cost. The Board appreciates Rick’s assistance in this most worthwhile endeavor.

(9) Annual Audit of Chapter Financial Statements. The Board approved the appointment of Rick Osborn to perform the annual audit of the Chapter’s Financial Statements.

(10) Chapter Web Site. The Chapter still needs to establish a web site. This would become the primary source of advertising about our Chapter operations. It would also replace our bi-monthly Chapter Newsletter which would result in a significant dollar

savings to the Chapter. The current Board of Officers is unable to devote a sufficient amount of time and effort to this important project, and agreed to ask the membership for volunteers to perform this vital function. We will include this announcement in the May/June 2001 Chapter Newsletter.



## Seminar Description

### **GOOD VERSUS BAD FRAUD CASES**

Judge Richard C. Tallman will discuss what constitutes a “Good” or “Bad” fraud case from the prospective of a Federal Prosecutor, a White Collar Criminal Defense Attorney, and a Circuit Court Judge, all based on his experience from an extensive 23 year career in the field. Participants will learn from the experience of this fine teacher all the things that they should and should not do in preparing and presenting your case for your day in court. Don’t miss this one. Nothing could be finer!

## Biography

Judge Richard C. Tallman has served as an active United States Circuit Judge on the Ninth Circuit Court of Appeals in Seattle since June 30, 2000. Prior to his judicial service, Judge Tallman was a partner in the Seattle firm of Tallman & Severin L.L.P., a member of Bogle & Gates P.L.L.C., an associate and partner in Schwappe, Krug, Tausend & Preezer, P.S.. At all of these firms he handled complex commercial litigation involving business issues collateral to white collar matters such as civil RICO suits, False Claims Act (or qui tam) “whistleblower” lawsuits, shareholder derivative suits, securities fraud, antitrust, income tax, and commercial bribery cases. He was also a Federal prosecutor with the Criminal Division of the U.S. Department of Justice and an Assistant U.S. Attorney in Seattle. He also worked as a law clerk to U.S. District Judge Morell E. Sharp, Western District of Washington. He handled a variety of civil and criminal cases, primarily in Federal court, in his 22 years of legal practice before his judicial service.

Judge Tallman received his B.S.C., summa cum laude, in Business Administration from the University of Santa Clara in 1975. He received his J.D. from Northwestern University School of Law in 1978. He was admitted to the bars of Washington and California as well as various Federal courts, including the United States Supreme Court. He served as President of the Federal Bar Association and on the White Collar Crime Institute of the American Bar Association. He is a lecturer at various Community College and Law Enforcement Academics/In-Service Training Programs and continuing legal education seminars.