

CFE UPDATE
January-February 2002

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Association and Chapter Fraud Training and Meeting Dates

Be sure to mark the following calendar year 2002 fraud training meetings on your personal schedule and plan to attend:

February 27, 2002: Chapter Fraud Training Seminar on Gypsy Con-Games and Crimes presented by Rob Floberg, a Pierce County Sheriff's Department Detective; Downtown Seattle.

April 25-26, 2002: Joint Chapter and Association of CFE's two-day Fraud Conference; Doubletree Inn, SeaTac. **Register directly with the Association of CFE's by calling 1-800-245-3321 (Austin, TX).** The cost of this years conference is \$350 for one day and \$595 for both days. Ask for Diane Neill at conference registrations for all the details. Or, you may also register on-line at the Association's web site: "<http://www.cfenet.com/events/2002seminars>"

June 26, 2002: Annual Chapter Business Luncheon Meeting and Fraud Training Seminar; Best Western Hotel SouthCenter; Tukwila. Topic and speaker to be determined.

August 4-9, 2002: 13th Annual Fraud Conference, Association of Certified Fraud Examiners; Renaissance Hollywood Hotel; Los Angeles, CA. **Register directly with the Association of CFE's by calling 1-800-245-3321 (Austin, TX).** The cost of last years conference was \$350 for the one-day pre-conference (4th), \$895 for the 2.5 day annual fraud conference (5th-7th), and, \$595 for the two-day post-conference (8th-9th). Ask for Diane Neill at conference registrations for all the details and the current cost. Or, you may also register on-line at the Association's web site: "[www: fraudconference.com](http://www.fraudconference.com)".

August 28, 2002: Chapter Fraud Training Seminar; Downtown Seattle. Topic and speaker to be determined.

October 30, 2002: Chapter Fraud Training Seminar; Downtown Seattle. Topic and speaker to be determined.

December 3, 2002: Joint Chapter and WSCPA Sixth Annual Fraud Conference, Marriott Hotel, SeaTac. **Register directly with the WSCPA by calling 1-800-272-8273 (Bellevue, WA).** The cost of the conference should be \$175, and includes continuing professional education for six hours of Technical and two hours of Accounting and Auditing. The course registration form can also be obtained from the WSCPA's web site at "[www: wscpa.org](http://www.wscpa.org)". However, you must call the WSCPA to actually register for the conference. Ask for Lisa Chin-Iwata in the Education Department.

Important Chapter Fraud Training Meeting Information

We meet at 1000 Second Avenue in a 28th floor conference room of the Washington State Housing Finance Commission. This is the old Key Towers Bank Building; but, the building currently has no name on it. The building is located across the street and one block North of the Jackson Federal Building (corner of Second Avenue and Spring Street).

Please pay particular attention to the following rules for visiting our fraud seminar training location in downtown Seattle. Our host, the State of Washington Housing Finance Commission, controls the conference room where our meetings are held and has asked for our cooperation in implementing these security and access rules. The Chapter Board of Officers appreciates your cooperation with these requirements.

- First, building security. The staff has asked us to go to the Commission's main offices on the 27th Floor and sign-in with the receptionist before going to the 28th Floor conference room for the fraud seminar. A visitor's badge will be issued to you. Please turn-in this visitor's badge in the conference room before departing the building. The Chapter will turn-in all visitor badges at the end of the day.
- Second, the time of our fraud seminar. The staff has 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 2:30 p.m.**, hold a 30 minute networking session at 3:30 p.m., and complete all fraud seminars at 4:45 p.m. sharp. Visitor badges will be collected at this time.

Report on Fifth Annual Fraud Conference Sponsored Jointly by the WSCPA and Chapter

The annual fraud conference the Chapter jointly sponsors with the Washington Society of CPA's was a great success again this past year. The evaluations were very favorable, as usual. There were about 70 people in attendance, and the CFE participation was about 20% of that number. This is a big increase from the past, and was very encouraging. Speakers included Linda Saunders, Chapter President – "Financial Exploitation of Elders"; Joe Dervaes, Chapter Secretary-Treasurer – "Case Study on the Private Non-Profit Organization Bookkeeper"; Jim Wilson, Chapter Member – "Racketeer Influenced Corrupt Organizations (RICO)"; and, Rick Sweeney, Washington State Auditor's Office – "Fraud Auditing Versus Fraud Investigation".

Norm Gierlasinski, Chapter Vice-President, and Joe Dervaes were Co-Chairs for the Conference again this year. The Chapter Board of Officers was responsible for planning the conference and providing the speakers. The WSCPA handles all of the advertising, registration, hotel arrangements, and all of the other administrative support for the conference. This is a great partnership.

Norm Gierlasinski took a lot of pictures at the fraud conference, and has submitted them to "The White Paper" for publication in the Chapter Section of the Association's bi-monthly international newsletter. So, look for these in a future magazine.

Distinguished Achievement Award Winner Announced

The Association of CFE's has approved the 2002 Distinguished Achievement Award for Richard (Rick) F. Osborn, CFE, CPA, for his outstanding contributions to the Pacific Northwest Chapter and the Association.

During the Association of CFE's first ever survey of over 2,600 CFE's, Rick submitted a \$240,000 cash receipts fraud case on the Municipality of Metropolitan Seattle (Transit) for consideration. This case joined a host of others totaling approximately \$15 billion in fraud and abuse that were used to produce the Association's "Report to the Nation on Occupational Fraud and Abuse". Rick later became a contributor to Chairman Joe Well's book on "Occupational Fraud and Abuse" when this case was included in the text.

Rick was a charter member of the Pacific Northwest Chapter of CFE's when it was established in March 1993. He routinely attends our Chapter fraud training seminars and fraud conferences. He has also performed the annual audit of our Chapter's financial statements since the inception of our Chapter.

The Chapter will present the Distinguished Achievement Award Certificate to Rick at our February 27, 2002, fraud seminar. Come join us and offer your congratulations to Rick for a job well done.

Annual Two-Day Fraud Conference Sponsored Jointly by the Association and Chapter

The Chapter has rescheduled the annual two-day fraud conference we jointly sponsor with the Association of CFE's from Fall to Spring for calendar year 2002. This year's conference is entitled "Conducting Internal Investigations", and will be held on April 25-26, 2002, at the DoubleTree Inn Hotel in SeaTac. This conference is always well attended. A description of the conference follows:

Course Description: If a serious accusation of embezzlement were leveled against someone in your company, would you know how to process the case?

Conducting Internal Investigations is a highly interactive seminar which will take you through an internal investigation from beginning to end. In fact, an actual case is used as the basis of the course, weaving in and out of the topics to be discussed. From receiving the initial allegation to having to testify as a fact witness, this course will help prepare you for every step of the investigation.

As with all of our previous One & Two Day seminars, you may attend Day One only ("Developing the Case"), Day Two only ("Completing the Investigation"), or both days. Depending upon your participation, a total of 16 hours of Continuing Professional Education credit is available to attendees.

To register or to receive more information, call the Association of CFE's at 1-800-245-3321 or register online at: "<http://www.cfenet.com/events/2002seminars.asp>"

2002-03 Ritchie-Jennings Memorial Scholarship Program and Chapter Scholarship Programs Announced

There are two scholarship programs available in the Pacific Northwest for college students majoring in accounting or criminal justice training programs. The Association of CFE's

sponsors 15 scholarships of \$1,000 each, and the Pacific Northwest Chapter/ACFE sponsors one scholarship for \$500.

(1) Association of CFE's Scholarship Program. For the ninth year, the Association will award scholarships to college and university students majoring in criminal justice or accounting. The scholarships will be awarded through the Ritchie-Jennings Memorial Scholarship Fund in honor of Tracy Ritchie, CFE and Larry Jennings, CFE, who both died in a terrorist attack in Pakistan on November 12, 1997.

Members should be aware that their own children are eligible to apply as long as they meet the requirements. However, applicants may not use letters of recommendation from their own CFE parent. Only one member in a CFE's family can be awarded a scholarship, including past recipients of scholarships. CFEs may also write letters of recommendation for eligible employees, coworkers, or interns.

The Association strongly encourages each CFE Chapter to sponsor at least one scholarship applicant. We also suggest that Chapters appoint a member to call or write to the accounting, criminal justice, and financial aid departments of all colleges and universities in your community to publicize the scholarship program. This would generate positive public relations for your chapter and the Association, and might give one of your members an opportunity to speak with student groups or classes about the CFE program.

All applications must be postmarked by May 24, 2002. The awards will be announced by August 09, 2002, and presented by September 05, 2002. If you would like to download an application or read about the requirements for application, contact the Association at:
["http://www.cfenet.com/services/scholarships.asp"](http://www.cfenet.com/services/scholarships.asp)

If you have any questions about the scholarship program, please contact Tony Rolston, Scholarship Coordinator at 1-800-245-3321 or at "scholarships@CFEnet.com".

(2) Pacific Northwest Chapter/ACFE Scholarship Program. The Chapter recommends all student applicants submit their scholarship application for the Association's scholarship program through the Chapter for processing. This is an easy way for students to obtain a recommendation letter from a CFE. And, it also gives the Chapter an opportunity to evaluate the applications and sponsor a primary and alternate candidate in the Association's scholarship program. The Chapter Board of Officers performs this function. And, Norm Gierlasinski, Chapter Vice-President, is the Chairman of the Chapter's Scholarship Committee. He is responsible for notifying all colleges and universities in our geographic area of responsibility about this scholarship opportunity.

All applications must be received at the Chapter not later than April 30, 2002. Students should submit their applications to the following address: Joseph R. Dervaes, CFE, CIA, Chapter Secretary-Treasurer, P. O Box 318, Vaughn, WA 98394.

Chapter Web Site Activated

The web site for the Pacific Northwest Chapter of the Association of CFE's is now active and ready for your inspection. It's not perfect yet. But, we'll be getting there over time. The address of the web site is www.fraud-examiners.org. The Chapter Board of Officers thanks Webmaster Kent Hansen for his hard work and dedication in making the web site a reality. We recommend you visit the web site to find out what information has been posted to date.

One of the primary uses of the web site will be to publish the Chapter newsletter in electronic form. Therefore, this is the last hard copy of the newsletter you will receive in the mail. All future newsletters will be in electronic form and will be available to you automatically on the web site. Converting to an electronic newsletter will save the Chapter about \$2,000 per year. So, we're not only just joining the real world of technology, but also saving our hard-earned Chapter funds as well. This means that we'll have even more funds available for other more important purposes.

You can sign-up for the Chapter newsletter on our web site simply by clicking on "Newsletter", filling out the sign-up form, and entering "Go". After entering your e-mail information, you'll receive a message confirming your subscription. You'll then automatically receive a notice when the next Chapter newsletter is published.

Webmaster Kent Hansen will be at the February 27, 2002, Chapter fraud seminar. Come visit with him. He'll also be able to take your newsletter subscription requests at that time.

As a friendly reminder, we anticipate sending you a post-card notice in about two months when the next Chapter newsletter has been posted on the web site. After that, the mails will go silent. All future communications between the Chapter and the Members will then be via the web site.

Job Announcements

The State Auditor's Office currently has opening for auditors at selected locations throughout the State of Washington. Visit their web site at www.sao.wa.gov and click on job openings for further information. Interested applicants should send a completed application to the address listed in the announcement.

The State of Washington Department of Labor and Industries has advised the Chapter of continuous openings for auditors in Tumwater. Job Class 13780 is for a Labor and Industries Auditor 3, \$2,775-\$3,549 per month, Range 46. Job Class 13790 is for a Labor and Industries Auditor 5, \$3,215-\$4,115 per month, Range 52. Information on these recruitments, job requirements, and procedures for filing applications can be obtained at the following web-site: <http://hr.dop.wa.gov/statejobs/bulletins/CURRENT/21203ocs.htm>. Interested applicants should send a completed Washington State job application to: Department of Personnel, Applications Unit, 600 South Franklin Street, P.O. Box 47561, Olympia, WA 98504-7561.

Seminar Description

SWEETHEART AND GUSTIMANO SCHEMES ON THE ELDERLY

Det Sgt Rob Floberg, Pierce County Sheriff's Department, discusses the mechanics and investigation into what the Rom community in Washington State calls in their language - a "Gustimano" or sweetheart - scheme. The Rom community is the politically correct descriptor of the Washington State extended families that were formally called "Gypsies." Victims, both men and women in advanced age or disabilities have been relieved of all their assets and financial options by the perpetrators of these schemes. The suspects are rarely found, identified, and if they are, rarely prosecuted. Cases and news broadcasts of these situations will be viewed and discussed.

Biography

Detective Sergeant Rob Floberg had been with the Pierce County Sheriff's Department for 23 years, the last 17 of those specifically specializing in white collar crimes and forensic document examination. He is a member of the Pacific Northwest License Tax and Fraud Association, and a frequent speaker on recognizing forgery, identifying Nigerian handwriting traits, and the forensic comparison of handwriting. He has testified in dozens of courts in Washington and Idaho as a handwriting expert in criminal fraud and civil cases. Rob is currently assigned to the University Place detachment as the Sergeant-In-Charge of the Criminal Investigations Division.