

CFE UPDATE  
September-October 2003

**Chapter Board of Officers**

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**Association and Chapter Fraud Training and Meeting Dates**

**Be sure to mark the following calendar year 2003 fraud training meetings on your personal schedule and plan to attend:**

**October 29, 2003:** Chapter Fraud Training Seminar; Downtown Seattle, 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). We begin all meetings promptly at 2:30 p.m., hold a 30 minute networking session at 3:30 p.m., and then complete the seminars at 4:45 p.m. The seminar fee is \$20 for Chapter members and \$25 for non-members.

**The speaker will be Thomas W. Southern, CFE, Senior Risk Management Specialist, CUNA Mutual Group. He will be speaking on the topic of "Electronic fraud controls for credit cards."**

**December 5, 2003:** Joint Chapter and WSCPA 7<sup>th</sup> Annual Fraud Conference; Marriott Hotel; 3201 South 176<sup>th</sup> Street, SeaTac (across the street and up the hill a short distance from SeaTac International Airport). The estimated early registration fee for members of the WSCPA and the Pacific Northwest Chapter is \$175 for this conference. There is also a \$6 daily parking fee if you drive your car and park in the hotel parking lot. Car pooling is recommended to reduce the nominal cost of parking. Registration and continental breakfast is at 8:00 a.m. The conference begins at 8:30 a.m. and ends at 5:00 p.m. **Register directly with the WSCPA by calling 1-800-272-8273 (Bellevue, WA).** The conference includes eight hours of continuing professional education credit. The course registration form can also be obtained from the WSCPA's web site at "www:wscpa.org". You must call the WSCPA to actually register for the conference. Ask for Lisa Chin-Iwata in the Education Department.

President Joe Dervaes and Vice-President Norm Gierlasinski will co-chair the 7<sup>th</sup> Annual Fraud Conference. The Chapter Board of Officers has confirmed the following list of speakers and topics for the annual fraud conference this year:

- (1) Dr. Gordon Mitchell – Owner, Electronic Future Focus, Incorporated, Topic: "Using Computer Forensic Techniques to Catch Crooks" -- Block: 8-10:00 a.m.
- (2) Rex Staples – Branch Chief of Broker-Dealer/Investment Adviser Enforcement for the Securities Division of the Department of Financial Institutions, State of Washington, Topic: "Securities Fraud: Current Issues and Debates" -- Block: 10:00 a.m.-Noon.
- (3) Jean Seidler and Jim M. Shaker – Employment Rights Attorneys, Ryan Swanson & Cleveland, PLLC, Topic: "Legal Perspectives of Fraud in the Workplace" -- Block: 1-3:00 p.m.
- (4) Ann L. Rueter – Special Agent, Internal Revenue Service, Criminal Investigations Division, Topic: "Money Laundering" -- Block: 3-5:00 p.m.

**Be sure to mark the following calendar year 2004 fraud training meetings on your personal schedule and plan to attend:**

**February 25, 2004.** Chapter Fraud Training Seminar; Downtown Seattle, at 1000 Second Avenue in a 28<sup>th</sup> 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). We begin all meetings promptly at 2:30 p.m., hold a 30 minute networking session at 3:30 p.m., and then complete the seminars at 4:45 p.m. The seminar fee is \$20 for Chapter members and \$25 for non-members. **Speaker and topic to be determined.**

**April 28, 2004.** Chapter Fraud Training Seminar; Downtown Seattle, at 1000 Second Avenue in a 28<sup>th</sup> 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). We begin all meetings promptly at 2:30 p.m., hold a 30 minute networking session at 3:30 p.m., and then complete the seminars at 4:45 p.m. The seminar fee is \$20 for Chapter members and \$25 for non-members. **Speaker and topic to be determined.**

**June 30, 2004.** Annual Chapter Business Meeting and Fraud Training Seminar; Mayflower of China Restaurant; 17005 SouthCenter Parkway (near SouthCenter Mall); Tukwila, WA. Special door prizes will be awarded; but, you must be present to win. The luncheon and continuing professional education for the fraud seminar is “free” to Chapter members and \$15 for non-members. The luncheon begins promptly at Noon, followed by the Chapter’s annual business meeting. The fraud training seminar begins at approximately 1:00 p.m. and lasts for one hour. **Speaker and topic to be determined.**

**July 11-16, 2004.** Association of CFE’s 15<sup>th</sup> Annual Fraud Conference; MGM Grand Hotel; Las Vegas, Nevada. Register for this conference at [www.cfenet.com](http://www.cfenet.com). The meeting times are from 1:00-5:00 p.m. on July 11, 2004, for the Pre-Conference; 8:30 a.m. – 12:30 p.m. on July 14, 2004, and from 8:30 a.m. – 4:30 p.m. on all other days during the Main-Conference and Post-Conference period. Because of the location, there will probably be a record number of attendees at the conference this year. Don’t miss it! The estimated early registration fee for Association members is \$795 for the Main-Conference.

President Joe Dervaes will be the Pacific Northwest Chapter’s official representative at the Chapter Representatives Meeting on July 11, 2004, held in conjunction with the Annual Fraud Conference. He will provide a report to the Chapter on the events of this meeting.

**August 25, 2004.** Chapter Fraud Training Seminar; Downtown Seattle, 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). We begin all meetings promptly at 2:30 p.m., hold a 30 minute networking session at 3:30 p.m., and then complete the seminars at 4:45 p.m. The seminar fee is \$20 for Chapter members and \$25 for non-members. **Speaker and topic to be determined.**

**October ?(3 Days)?, 2004.** Joint Chapter and Association of CFE’s Three-Day Fraud Training Class at the Doubletree Hotel, 18740 International Boulevard; SeaTac. There is a daily parking fee if you drive your car and park in the hotel parking lot. Car pooling is recommended to reduce the nominal cost of parking. The first two days of the class will be on the topic of “Contract and Procurement Fraud”. The third day of the class will be on the topic of “Fraud Prevention”. The estimated early registration fee for Association members is \$535 for the two-day class. The estimated cost of the one-day class is about 50% of that fee. There is also a \$6 daily parking fee if you drive your car and park in the hotel parking lot. Car pooling is recommended to reduce the nominal cost of parking. Registration is at 7:30 a.m. each day. The actual class begins at 8:00 a.m. and ends at 4:30 p.m. daily. **Register directly with the Association of CFE’s by calling 1-800-245-3321 (Austin, TX).** The conference includes 24 hours of continuing education credit. Ask for conference registrations for all the details. Or, you may also register on-line at the Association’s web site [www.cfenet.com](http://www.cfenet.com). Your Board of Officers

has worked long and hard with the Association to bring you new fraud topics for this annual fraud training class. So, you'll enjoy this three-day event immensely. Don't miss it. Come network with your fellow professionals at this fraud training class. Members of the Chapter Board of Officers will perform registration duties for this fraud training class and will be on-hand to answer any questions participants might have about membership in and activities of the Chapter. **Speakers and training dates to be announced.**

**December 3, 2004.** Joint Chapter and WSCPA 8<sup>th</sup> Annual Fraud Conference; Marriott Hotel; 3201 South 176<sup>th</sup> Street, SeaTac (across the street and up the hill a short distance from SeaTac International Airport). The estimated early registration fee for members of the WSCPA and the Pacific Northwest Chapter is \$175 for this conference. There is also a \$6 daily parking fee if you drive your car and park in the hotel parking lot. Car pooling is recommended to reduce the nominal cost of parking. Registration and continental breakfast is at 8:00 a.m. The conference begins at 8:30 a.m. and ends at 5:00 p.m. **Register directly with the WSCPA by calling 1-800-272-8273 (Bellevue, WA).** The conference includes eight hours of continuing professional education credit. The course registration form can also be obtained from the WSCPA's web site at "www:wscpa.org". You must call the WSCPA to actually register for the conference. Ask for Lisa Chin-Iwata in the Education Department.

President Joe Dervaes and Vice-President Norm Gierlasinski and will co-chair the 8<sup>th</sup> Annual Fraud Conference. The Chapter Board of Officers is working on the tentative list of speakers and topics for the annual fraud conference.

### **Important Chapter Fraud Training Meeting Information for Downtown Seattle Location**

**All fraud seminars conducted by the Chapter in downtown Seattle are held at this location.**

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 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. 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.

**Association's Press Release on 2003-2004 Scholarship Award Winners**

**2003-2004 Ritchie-Jennings Memorial Scholarship Recipients**

The Association of Certified Fraud Examiners, in one of its efforts to promote the profession of fraud examination, announces the awarding of \$1,000 Ritchie-Jennings Memorial Scholarships to 15 college and university students for the 2003-2004 school year. This is the tenth year the ACFE has sponsored the scholarship program. The scholarship program was extremely competitive and we had a record-high number of qualified applicants vying to be among the recipients of this prestigious award.

The ACFE offered scholarship awards to undergraduate or graduate students in accounting or criminal justice programs. Each recipient selected was based on several factors: overall academic achievement, a short essay on why he or she deserves the award and how fraud awareness will affect the student's professional development, and several letters of recommendation including one from either a local ACFE chapter or a Certified Fraud Examiner. The ACFE would like to thank all ACFE chapters and CFEs, as well as academics and employers who participated in each student's application process.

ACFE Members help underwrite the ACFE's General Scholarship Fund by contributing donations when they send their annual Membership dues. Donations were also graciously collected by Mrs. Jacqueline Ritchie and Mrs. Deborah Jennings. On behalf of the ACFE and scholarship applicants, we would like to thank all of you who help make this worthy endeavor possible year after year.

The ACFE's Board of Regents voted to name the scholarship program the Ritchie-Jennings Memorial Scholarship Fund in 1998. Tracy Ritchie, CFE, and Larry Jennings, CFE, CPA, were killed Nov. 12, 1997, in Karachi, Pakistan, during a business trip.

Each of the following students will receive \$1,000 for the 2003-2004 academic year:

Michael Anthony  
UNC at Charlotte  
Charlotte, NC

Melissa Gibbons  
UNC at Charlotte  
Charlotte, NC

Aaron Kesler  
Oral Roberts University  
Tulsa OK

Megan LaMotte  
Montana State University  
Bozeman, MT

Anya Lopez  
St. Edward's University  
Austin, TX

Hursha Ramaiya  
University of North Dakota  
Grand Forks, ND

Elaine C. Roy  
Johnson & Wales University  
Providence, RI

Crystal Yeung  
Drexel University  
Philadelphia, PA

Clinton Bradley Edwards  
Capital University  
Columbus, OH

Terry Jackson  
Brigham Young University  
Provo, UT

Nancy Kim  
S.U.N.Y. Albany  
Albany, NY

Andrea Lewis  
University of Mississippi  
University, MS

Mikayla Lynnette Pickett  
Adams State College  
Alamosa, CO

Sarah M. Reeves  
Hilbert College  
Hamburg, NY

Jennifer Short  
Indiana University  
Bloomington, IN

### **Chapter President's Letter to 2003-2004 Scholarship Award Program Participants**

On August 14, 2003, President Joe Dervaes wrote letters to each of the 8 students who filed their applications for the Association of CFE's and Pacific Northwest Chapter's 2003-2004 Scholarship Award Programs with our Chapter (in order to obtain a recommendation letter from a CFE). The competition for these scholarships was extremely competitive this year because there were twice as many applicants from the prior year. There were a total of 159 applicants for the 2003-2004 scholarship award program. Therefore, the Association granted a scholarship award to about one in every 10 applicants. This is a fine record. And, there is even talk of increasing the number of scholarship awards in future years. So, the program is growing in popularity as word of the scholarship program spreads through the college and university systems all over the world.

(1) The Association selected 15 applicants to receive \$1,000 scholarship awards. Our Chapter letter said: On August 3, 2003, the Association of Certified Fraud Examiners officially announced the recipients of the 2003-2004 Ritchie-Jennings Memorial Scholarship awards. These scholarships are in honor of Tracy Ritchie, CFE, and Larry Jennings, CFE, who both died in a terrorist attack in Pakistan on November 12, 1997. The winners were selected by the Continuing Education Committee and approved by the Board of Regents. Each recipient receives a \$1,000 grant. Megan D. LaMotte from the College of Business at Montana State University was our Chapter's primary candidate and received a \$1,000 grant, one of 15 such scholarship awards granted by the Association. Congratulations to her on this fine achievement!

Megan is an absolutely outstanding candidate who expressed a strong interest in the field of accounting and plans to become a CPA. Her stellar academic achievement, coupled with her active campus and community activities, made her a most deserving candidate for this award. A junior who graduates in May 2004 with a degree in business and accounting, Megan achieved a nearly perfect academic grade record of a 3.95 cumulative grade point average and was on the Deans List every semester. She participates in many extra-curricular endeavors, including Beta Alpha Psi, the national accounting honorary, Alpha Lambda Delta, a freshman honorary program, the Accounting Club, and Beta Gamma Sigma. She also assists other students by serving as a CAP monitor. She is an Orientation Leader and a Front Desk Clerk at one of the high-rise residence halls where she assists incoming freshman students assimilate to academic life on campus. She is a Peer Advisor and Ambassador to the General Studies Department where she academically advises other students. Megan makes public speaking presentations to prospective students and their parents. She is also active in the community where she volunteers

time to work on food drives and Christmas Angel Tree donations. Her accomplishments are extraordinary, and she was an outstanding scholarship award candidate.

(2) The Chapter selected one applicant to receive a \$500 scholarship award. Our Chapter letter said: On August 8, 2003, the Pacific Northwest Chapter of the Association of Certified Fraud Examiners officially announced the recipient of the 2003-2004 Scholarship award. The winner was selected by the Scholarship Committee and approved by the Board of Officers. Courtney Brooke Goche from the School of Business at Gonzaga University was our Chapter's alternate candidate and received a \$500 grant award. Congratulations to her on this fine achievement!

Courtney is an outstanding candidate who expressed a strong interest in the field of accounting and plans to pursue both graduate and doctoral studies in this field. Her excellent academic achievement, coupled with her active campus and community activities, made her a most deserving candidate for this award. A junior who graduates in May 2004 with a degree in accounting, Courtney achieved a 3.655 cumulative grade point average and was frequently on the Deans List. She is a member of the National Honor Society. She participates in many extra-curricular endeavors, including volunteering with income tax assistance, serving as a hospital volunteer, and acting as a hall council representative. She was a Resident Assistant, Finance Officer for the Residence Hall Association, Floor Representative for RHA, and Finance Officer for National Residence Hall Honorary, and served on a variety of other councils. As a Residence Life Coordinator, she helped to make the student community one of the strongest in the state.

(3) For the six runner-up applicants, our Chapter letter said: The competition between applicants for these scholarship award programs was extremely keen. While not selected for an award this year, the Pacific Northwest Chapter commends you for your competitive spirit. The quality of the students who attend our fine educational institutions in the Pacific Northwest is outstanding. We wish you the best during your final year in the college and university systems of the State of Washington, and encourage you to pursue the Certified Fraud Examiner credential when you subsequently embark on your new professional career after graduation. Thanks again for your participation in the Association of Certified Fraud Examiner's scholarship award programs.

These applicants included: Armetha Smiskin from City University; Lana Vahala-Marcus from the University of Washington (Tacoma Campus); Carrie Abernathy from the University of Washington (Tacoma Campus); Ryan Littleton from Seattle University; Patrick Creagh from Eastern Washington University; and Angela Silva from Bellevue Community College.

### **Association Scholarship Winner's Letter to Pacific Northwest Chapter**

On August 22, 2003, Megan D. LaMotte sent the following letter to the President Joe Dervaes and the Pacific Northwest Chapter/ACFE:

"It is a great honor to be selected as recipient of the Ritchie-Jennings Memorial Scholarship. I want to thank you and the Northwest Chapter for selecting my application to continue on to the Association of CFE's. (Editor's Note: All letters received by the Chapter are forwarded to the Association for consideration in its Scholarship Program.)

I would also like to take this opportunity to thank Linda Saunders for the glowing letter or recommendation that accompanied my application. I was flattered and would greatly appreciate it if you could forward my thanks to her.

A letter of appreciation has also been sent to Tony Rolston at the Association of Certified Fraud Examiners along with my picture for "The White Paper." If I do not receive a copy of the publication, I'll let you know, and gratefully take you up on your offer of a copy.

Once again I want to thank you for your generosity and let you know how much I appreciate the part you and the Northwest Chapter played in my selection of the Ritchie-Jennings Memorial Scholarship. I look forward to learning more about fraud in my future years at MSU-Bozeman and I know this scholarship will be a great help in achieving my educational goals.

If you have any further questions concerning my qualifications or about my education please feel free to contact me. Thanks again."

(Editor's Note: This letter is very well composed. It's nice to see this in the generation of students at University these days. In addition, this letter was read to those present at the Chapter's fraud seminar in Seattle on August 27, 2003.)

### **Chapter Scholarship Winner's Letter to Pacific Northwest Chapter**

Courtney Goche recently sent the following letter to the Vice-President Norm Gierlasinski and the Pacific Northwest Chapter/ACFE:

I would like to extend my sincere thank you for the thoughtful letter that had been forwarded to the scholarship selection committee. I am proud and humbled to receive the Association of Certified Fraud Examiners Scholarship. This fall, I returned to Gonzaga University where I am continuing with my degrees in both accounting and criminal justice. Without your committee's time and effort, this award would not have been possible for me to receive. I appreciate your collaboration with Dr. Kay Carnes and please extend my thanks to the Pacific Northwest Chapter and Mr. Joseph Dervaes.

Again, thank you for your generosity and kind words.

### **Association's Press Release on Cressey Award Winner**

#### **ACFE Presents 2003 Cressey Award at Annual Conference**

August 28, 2003 -- AUSTIN, TX -The Association of Certified Fraud Examiners (ACFE), the world's largest anti-fraud organization, presented Joseph R. Dervaes, with its highest honor, the Cressey Award. Mr. Dervaes is the Audit Manager for Special Investigations for the Washington State Auditor's Office and a retired Air Force lieutenant colonel, having served twenty years in the Air Force's Audit Agency. This honor was presented at the 14th Annual ACFE Fraud



Conference and Exhibition in Chicago, August 3-8, 2003 with over 1,000 anti-fraud professionals in attendance.

The award is named in honor of Dr. Donald R. Cressey (1919-1987) who pioneered the field of white-collar crime research and education. It has been presented every year since 1990, and this year, for the third time in its fifteen-year history, it went to a member of the ACFE.

The ACFE awarded Dervaes the Cressey Award for his outstanding commitment and contributions to the ACFE during the past 15 years. He was one of the ACFE's first Certified Fraud Examiners, founding president of the ACFE's Pacific Northwest Chapter, first ever Fellow in the ACFE, and a former chairman of the Board of Regents. He received the ACFE's Distinguished Achievement Award in 1995, and contributes frequently to The White Paper, the ACFE's anti-fraud magazine read by fraud fighters around the world. In 2000, he was named an ACFE Fellow because of his enormous contribution to ACFE's research and the common body of knowledge for the field of fraud examination. He was also recently appointed to the ACFE's Board of Review.

For the past nineteen years, Dervaes has been with the Washington State Auditor's office where he has specialized in fraud prevention and detection and is a recognized authority on employee embezzlement in the government workplace. He monitors all fraud audits throughout the state of Washington and has participated in approximately 550 cases involving \$10 million in losses.

Because of his work in the field of anti-fraud training and development, he received the agency's "Outstanding Employee Award" four times. Not only is he the fraud training instructor for the Auditor's Office, he is also the author of the agency's Fraud Audit Manual and four of the agency's fraud training courses. He has trained thousands of fraud fighters for the state of Washington and spoken for numerous universities all across the country.

### **Association Recognizes Cressey Award Winner at Annual Fraud Conference**

For the 14<sup>th</sup> year, the Association's highest honor, The Cressey Award, was presented at the Opening Ceremonies of the Annual Fraud Conference in Chicago on August 4, 2003. The Cressey Award is named for Dr. Donald Cressey (1919-1987), who pioneered the field of white-collar crime and research and education. It is bestowed on an individual who has made major contributions to fraud detection, deterrence, and education. The previous winners have been a wide variety of distinguished professionals in the anti-fraud field, including prominent criminologists, United States Attorneys, State Attorney Generals, university fraud educators, and leading television and print media reporters. The most prominent award recipient is Rudolph Giuliani, now ex-mayor of New York City, famous for the actions he took as a result of the terrorism attack on the World Trade Center on September 11, 2001.

This year's lifetime achievement award was presented to Pacific Northwest Chapter Founding President, Joe Dervaes. Joe is an Association Fellow, Regent Emeritus, Life Member, Distinguished Achievement Award Winner (1995), Member of the Board of Review, and an

adjunct faculty member. He is a published author and writes a By-Line Column on "Frauds Finer Points" in the Association's bi-monthly international magazine, "The White Paper".

Joe is the Audit Manager for Special Investigations for the Washington State Auditor's Office where he is responsible for managing the agency's Fraud Program. He specializes in employee embezzlement fraud within all state agencies (170) and local governments (2400) in the state of Washington. He monitors all fraud audits throughout the state and has participated in the investigation of approximately 550 cases involving losses of almost \$10 million in the past 19 years.

During his acceptance speech, Joe said: "This is something well beyond my personal goals for a lifetime achievement in fraud deterrence, detection, and education." Joe received a standing ovation from the 1,100 attendees from all over the United States and 20 foreign countries present at the Annual Fraud Conference. Congratulations Joe!

### **Association's Press Release on New Role for President and Chief Executive Officer**

#### **ACFE President: To Fight Fraud, Turn Attention to Prevention**

Chicago (Aug. 6, 2003) -- In the war against fraud, the focus needs to shift to prevention, the president and chief executive of the world's largest anti-fraud organization told members gathered at the group's annual conference here.

"Corporate scandals have raised the public awareness of fraud to unprecedented levels, and the government has gotten the message," Toby J.F. Bishop, CEO of the Association of Certified Fraud Examiners said during opening remarks at the ACFE's 14th Annual Fraud Conference. However, Bishop noted, Sarbanes-Oxley may not correct the problem.

"We need to turn our attention toward preventing fraud," Bishop said, citing the need for global fraud prevention standards "that go beyond the accounting controls in Sarbanes-Oxley."

"Internal controls and fraud prevention are not one in the same," Bishop said. He noted that the public and the audit profession could be better served through a model organization for fraud deterrence program that would provide transparency of a company's fraud prevention measures.

"Accounting students don't receive sufficient anti-fraud education," Bishop noted, reiterating a concern that has become a focal point for the ACFE. Accordingly, he added, auditors shouldn't be held accountable for detecting fraud, because they simply aren't trained to find it. Bishop also called for auditors to use Certified Fraud Examiners on public audits "proactively, instead of reactively," by bringing in a CFE during the audit to help spot fraud, rather than after fraud is suspected.

The ACFE grew its membership by 3,000 last year, bringing it to 28,000 members.

## **Association Recognizes Oscar-Winning Actor at Annual Fraud Conference**

The Association presented Academy award winning actor Cliff Robertson with its first-ever Sentinel Award at the 14<sup>th</sup> Annual Fraud Conference and Exhibition in Chicago on August 5, 2003. The award is significant because Robertson was the first famous citizen to come forward, regardless of personal sacrifices, to expose corporate corruption at the highest levels.

While younger filmgoers will remember Cliff Robertson as the uncle of Peter Parker (played by Tobey McGuire) in “Spiderman,” older viewers are more likely to know that Robertson was hand-picked by John F. Kennedy to portray the young president in the classic “PT-109.” In between, Robertson has made over 85 films and was awarded the industry’s highest distinction by winning an Oscar for his performance in “Charly” in 1968.

The distinguished actor has another claim to fame, though: At the height of his career in the 1970’s, Robertson discovered that a famous producer had been fraudulently cashing tens of thousands of dollars in royalty checks made payable to Robertson. Rather than being silent, Robertson revealed the scheme – to his own peril: For years, he was blacklisted by Hollywood and became the harrowing true story of a man of honor known as “The Whistleblower of Hollywood”.

Cliff Robertson will Chair a Board that will pick future annual winners of the Sentinel Award. The award will be given to high-profile whistleblowers who have made great sacrifices so that their story can be told.

## **Chapter Representatives Meeting Held at the Association’s Annual Fraud Conference**

The annual meeting of the Chapter Representatives was held on Sunday, August 3, 2003 from 8:30 a.m. - Noon. The moderator was Jim Ratley, Association Program Director. Jim is also the focal point for all Chapter operations. All present took turns introducing themselves. An update of forms and a review of Chapter reporting procedures started the session. Later, one of the representatives from a large Chapter discussed how they have held successful two-day fraud seminars for many years at which they always have full capacity. The type of speakers and programs used was presented. Next, a representative from another Chapter talked about their scholarship program. The rest of the morning was spent discussing questions and answers from those present. The meeting ended with a combined lunch with the Board of Regents.

## **It’s Official – A New CFE Chapter Has Formed in Montana**

We’re proud to announce that a new CFE Chapter has formed in the State of Montana. President Joe Dervaes and Vice-President Norm Gierlasinski met with the new Chapter President while attending the Association’s 14<sup>th</sup> Annual Fraud Conference in Chicago. There finally were enough CFE’s to charter the Chapter, and they did. Congratulations to the leadership of the Montana Chapter. We wish you all the best as you provide member services to CFE’s and other interested individuals in your state.

The Pacific Northwest Chapter will now have to change its By-Laws to delete Montana from the geographic areas served. This makes two states that have done this (i.e.: Oregon, and Montana). That leaves us with Washington, Idaho, and Alaska. Idaho and Alaska: Where are the CFE's to begin your chapters? Interested parties should contact either Jim Ratley or Jeff Kubiszyn at the Association's Chapter Operations (1-800-245-3321) for additional information.

### **Board of Regents Nominations Now Open**

Nominations are being accepted for three positions on the Association's 2004-2005 Board of Regents. Under the Association's By-Laws, any CFE in good standing may apply for a position on the Board. The self-nominating process is open to all CFE's. Visit the Association's web-site at: [www.cfenet.com](http://www.cfenet.com) for further details about this exciting opportunity for leadership in the Association. If you have any questions about the process and/or the duties of Regents, contact President Joe Dervaes, Regent Emeritus, at: [dervaesj@sao.wa.gov](mailto:dervaesj@sao.wa.gov).

### **News from the Association – Top Fraud Scams**

**“Your Account Needs to be Updated” Scam** - Most major internet sites and financial institutions have been targeted including PayPal, eBay, Bank of America, Wells Fargo, the Internal Revenue Service (IRS), and America Online (AOL). These scams usually show up in your email inbox with a message from the "System Administrator" telling you to perform some urgent maintenance on your account. If you ever get message like this be very, very, careful.

**Auction Fraud** (eBay and Yahoo Auctions) - Auction fraud was the second most reported consumer fraud complaint to the FTC, totaling 51,000 auction complaints in 2002. The fraud is simple - put up a fake ad on eBay, let someone "win" the bid and send in their money, but never send out the merchandise.

**Phony Identity Theft Protection or Credit Repair Scams** - The FTC has warned that some companies that claim to be identity theft prevention services are scam artists trying to get your driver's license number, mother's maiden name, Social Security number and credit and bank account numbers. Don't ever give out any personal information over the phone or online unless you are familiar with the business that is asking for it. If you are unsure about a firm, check it out with the Better Business Bureau.

Source: US Federal Trade Commission

### **News from the Association – Know Your Charity – Don't Get Swindled**

- Do not give cash to strangers.
- Take the time to learn about the charitable organization you support or considering supporting.
- Tell the solicitor whether in person or over the telephone that you would like to do some research on the charity/organization.

- Make all donations by check to the organization or use employee-withholding programs through your work.
- DO YOUR HOMEWORK, research the organizations, and do follow-ups with local city agencies that provide ordinances for these organizations. Don't expect that every organization has all the proper paperwork they are supposed to have.
- Read and understand everything before you sign.

Source: LAPD online

### **News from the Association – Helpful Resources**

[ACFE Partners](#)

[Accounting & Auditing](#)

[Business & Finance](#)

[Educational & Human Resources Information](#)

[EthicsLine](#)

[Fraud](#)

[Government](#)

[Law Enforcement & Legal References](#)

### **Conference Announcement**

On August 21, 2003, the Chapter received the following announcement about an upcoming conference. The World Association of Detectives is making final plans for their 78<sup>th</sup> Annual Conference in Honolulu, Hawaii September 30th to October 4th, 2003 at the Waikiki Beach Marriott Hotel. W.A.D. is the oldest and largest international association of it's type. The 2004 Annual Conference will be held in Moscow. For further information about W.A.D. membership or the conference go to [www.wad.net](http://www.wad.net). To view detailed information on the conference "click" on the latest edition of the newsletter. You may also contact Executive Director Richard Jacques-Turner at [www.wad.net](http://www.wad.net). Some of the most renowned private investigators throughout the world are members or were members before their passing. We hope to see you in Hawaii.

### **Job Announcement**

(1) On September 11, 2003, the Chapter received the following job announcement via e-mail:

Fraud Investigator/Security Specialist. HomeStreet Bank is seeking an individual to coordinate security processes, perform fraud investigations, and perform internal audits. Please visit our website at: <http://www.homestreet.com> for a detailed job description and apply directly on-line. Minimum of three years experience in the areas of retail banking operations, or security, with a mortgage banking company or a financial institution, required. Must also demonstrate high level of personal integrity and be able to professionally handle confidential matters. HomeStreet Bank offers an excellent benefits package, including 401(k) and Employee Stock Ownership Plan, fully paid employee health and dental insurance.

(2) On September 15, 2003, the Chapter received the following job announcement information on multiple job listings via e-mail:

Bay Area, CA – Internal Audit Manager 95K – 104K

Houston, TX – Senior Auditors and Audit Manager – 55K-100K

Irving, TX/New York City/Philadelphia, PA – Analysts and Internal Auditors – Salary/Market

Minnesota – Senior IT Auditor – 70K-76K

Ashburn, VA – Internal Audit and IT Audit/Many Positions –70K-106K

Milwaukee, WI – Senior Internal Auditor – 50K-65K

Orlando, FL – International Internal Auditor – Salary/Market

New York City – Internal and IT Auditors (multiple positions) – 53K-82K

Contact Donna Larsen, President of Skyline Search, Incorporated ([donna@skyline-search.com](mailto:donna@skyline-search.com)), for additional information about job opportunities this recruiting firm is trying to fill in the accounting and finance professions.

(3) On September 18, 2003, the Chapter received the following job announcement via e-mail:

The Department of Licensing is looking for an Information Systems Assurance Manager in the Office of System and Program Review. This is a Washington Management Service (WMS), Band 2, position in Olympia, WA. The Closing date for this position is Monday, October 13, 2003. Annual Compensation for WMS, Band 2 is \$47,000-\$76,200 (DOQ). Additional information can be obtained at the Department of Personnel as follows:

<http://hr.dop.wa.gov/statejobs/bulletins/CURRENT/Mgmtcurrent/030918dol.htm>

**PACIFIC NORTHWEST CHAPTER  
ASSOCIATION OF CERTIFIED FRAUD EXAMINERS**

**SEMINAR TOPIC – ELECTRONIC FRAUD CONTROLS FOR CREDIT CARDS**

This presentation will discuss trends in credit card fraud, how it is committed, and what loss control features are available to card issuing financial institutions and merchants. The objective of the presentation is to provide attendees with a better understanding of how credit card fraud occurs and how to deter this growing area of fraud.

**SPEAKER – THOMAS E. SOUTHERN, CFE**

Thomas E. Southern is a Senior Risk Management Specialist for CUNA Mutual Group the nation's largest provider of property and casualty insurance services to credit unions.

For the last twenty years Tom has been responsible for assisting credit unions in identifying areas of risk in their operations and recommending appropriate controls to reduce exposures to loss. He is responsible for performing risk analysis in the states of Washington, Western Montana and Northern Idaho.

Tom is a graduate of Cal State in Fullerton, California, with a Bachelors Degree in Criminal Justice. Prior to his employment with CUNA Mutual, he was in law enforcement for 12 years. Tom also holds a Certified Fraud Examiner (CFE) designation.

The CUNA Mutual Group is headquartered at the Credit Union Center in Madison, Wisconsin, and provides insurance services to credit unions and their members throughout the world.

**DATE:** October 29, 2003      **TIME:** 2:30 – 4:45 p.m.      **CPE:** Two Hours CPE Credit

**Location of Training Facility:** 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).

**Important Fraud Training Meeting Information for the Downtown Seattle Location is Included in the Bi-Monthly Chapter Newsletter.**

**Note:** We have entered into an agreement with the Washington State Board of Accountancy to meet its continuing professional education requirements.

**SEMINAR REGISTRATION FORM (October 29, 2003 – 2:30-4:45 p.m.)**

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

EMPLOYER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

**Please mail registration form with \$20 check for members or \$25 for non-members to: Pacific Northwest Chapter/ACFE; P. O. Box 215; Auburn, WA 98071-0215.**

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Many organizations require the **Federal Tax Identification Number** of the Pacific Northwest Chapter/ACFE in order to pay for their employees to attend our fraud training events. The number is: **91-1592735**.

**Important Fraud Training Meeting Information for the Downtown Seattle Location is Included in the Bi-Monthly Chapter Newsletter.**