

CFE UPDATE
March-April 2007

Chapter Board of Officers

President: Joseph R. Dervaes, CFE, CIA (253) 884-9303.

Vice-Chair of ACFE Foundation Board of Directors, 2003 Cressey Fraud lifetime Achievement Award Winner, ACFE Fellow, Regent Emeritus, prior member of the Board of Review, and the Chapter Distinguished Achievement Award Winner for 1995, Association of Certified Fraud Examiners; Founding President, Pacific Northwest Chapter/ACFE. joeandpeggydervaes@centurytel.net; Vaughn, Washington, Retired.

Vice-President and Training Director: Norman J. Gierlasinski, PhD, CFE, CPA, CIA. 2002 ACFE Outstanding Achievement in Anti-Fraud Education Award Winner, and the Chapter Distinguished Achievement Award Winner for 1996, Association of Certified Fraud Examiners; Professor of Accounting, Central Washington University (Des Moines Center) (206) 439-3800, Extension 3825. normang@cwu.edu; Des Moines, Washington.

Secretary-Treasurer: Roger B. Gulliver, CFE, CPA, CISA, CBA. President, Gulliver and Associates PS (253) 735-2392; the Chapter Distinguished Achievement Award Winner for 2000; rbg1@mindspring.com; Auburn, Washington

Director-At-Large: Bernadette McBride, CFE, CPA. Senior Investigator/Financial Examiner, Washington State Department of Financial Institutions, Securities Division, (360) 791-8824; the Chapter Distinguished Achievement Award Winner for 2004. bmcbride@dfi.wa.gov; Olympia, Washington

Director-At-Large: Robert A. Goehring, CFE, CPA
Audit Manager, City of Kent - Finance Department, (253) 856-5262; the Chapter Distinguished Achievement Award Winner for 2005; rgoehring@ci.kent.wa.us, Kent, Washington

Be sure to mark the following calendar year 2007 fraud training meetings on your personal schedule and plan to attend.

April 25, 2007 (Wednesday). Chapter Fraud Training Seminar; Downtown Seattle, 1000 Second Avenue. 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.

Former Chapter President Linda Saunders, CFE, CPA, CGFM, will be our featured speaker for this fraud seminar. She is the Owner of Forensic Accounting Consulting, a

forensic accounting firm in Quilcene, WA. Her topic will be: "Medical Embezzlement: Insurance Billings Create the Perfect Storm".

June 27, 2007 (Wednesday). Annual Chapter Business Meeting and Fraud Training Seminar; Bahama Breeze Restaurant; 15700 SouthCenter Parkway, Tukwila, WA 98188; (206) 241-4448. 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 a brief Chapter annual business meeting. The fraud training seminar begins at approximately 1:00 p.m. and lasts for one hour.

The topic and speaker for this fraud seminar have not yet been announced.

July 15-20, 2007 (Orlando, FL @ Disney's Coronado Springs Resort; Lake Buena Vista, FL; ((407) 939-1020). Association=s 18th Annual Fraud Conference and Exhibition. Register for this conference at www.ACFE.com. The meeting times are from 1:00-5:00 p.m. on July 10, 2005, for the Pre-Conference; 8:30 a.m. @ 12:30 p.m. on July 13, 2005, and from 8:30 a.m. @ 4:30 p.m. on all other days during the Main-Conference and Post-Conference period. The discounted registration fee for Association members is \$795 for the Main-Conference. The regular registration fee for non-members is \$895 for the Main-Conference. The discounted registration fee for Association Members is \$1,225 for the Full Conference. The regular registration fee for non-members is \$1,395 for the Full Conference (all fees are estimated).

Vice-President Norm Gierlasinski will be the Pacific Northwest Chapter=s official representative at the Chapter Representatives Meeting held in conjunction with the Annual Fraud Conference. He will provide a report to the Chapter on the events of this meeting.

President Joe Dervaes will attend the ACFE Foundation=s Board of Directors Meeting held in conjunction with the Annual Fraud Conference.

August 29, 2007 (Wednesday). 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 topic and speaker for this fraud seminar have not yet been announced.

October 17-19, 2007 (Wednesday-Friday). Joint Chapter and Association of CFEs Fraud Training Classes at the Doubletree Hotel, 18740 International Boulevard; SeaTac (across the street from SeaTac International Airport), (206) 246-8600. There is an \$8 (estimated) 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 7:30 a.m. The class begins at 8:00 a.m. and ends at 4:25 p.m. each day. Register directly with the ACFE by calling 1-800-245-3321 (Austin, TX), or by accessing the Association's web-site at www.ACFE.com. The class includes 16 hours of continuing professional education credit. You must contact the ACFE to actually register for this class. Ask for Diane Lloyd, Events Registrar (dlloyd@ACFE.com).

October 17, 2007. The topic for this one-day fraud class is Investigating Conflicts of Interest. The speaker for this class has not yet been announced by ACFE. The registration fee for attending this training class is \$249 for ACFE members and \$299 for non-members (all fees are estimated).

Conflict of interest can present significant fraud allegations for corporations, government agencies, fiduciaries, customers and suppliers. It is also one of the most difficult areas of fraud to investigate and obtain adequate evidence. Improper investigations can create counterclaims and civil actions against organizations and fraud examiners. In this class, participants will gain an understanding of how and why conflicts arise and how to spot warning signs of conflicts of interest, plus leave with an understanding of issues specific to these types of engagements.

October 18-19, 2007. The topic for this two-day fraud class is Professional interviewing Skills. The speaker for this class has not yet been announced by ACFE. The registration fee for attending this training class is \$595 for ACFE members and \$695 for non-members (all fees are estimated).

What are people hiding from you? Criminals, clients, customers, and even colleagues may each be hiding something from you. This class will teach participants how to be more effective in asking questions and evaluating responses so that they can better detect lies and deception from everyone they interview. Even experienced professionals will improve their interviewing skills with this renowned course.

Note: The Association will provide breakfast pastries and mid-morning and mid-afternoon refreshments on all three days of these training classes. The Association will provide lunch only on the first day of the two-day training class. Attendees will be on their own for lunch for the one-day training class and for the second day of the two-day training class. For Members of the Pacific Northwest Chapter/ACFE, the Chapter will sponsor your lunch on the days when ACFE does not provide this service. The Chapter Board of Officers will assist with registration duties for this class.

December 3, 2007 (Monday). Joint Chapter/WSCPA's 11th Annual Fraud Conference at the SeaTac Marriott Hotel; 3201 South 176th Street, SeaTac (across the street and up the hill a short distance from SeaTac International Airport). The registration fee for members

of the WSCPA and the Pacific Northwest Chapter is \$195 (estimated) for this conference. There is also a \$8 (estimated) 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 7:30 a.m. The conference begins at 8:00 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 Rachel Ingalls, Conference Administrator.

There will be four sessions at the annual fraud conference, each lasting two hours. Preliminary information is as follows:

Session #1. The Attorney General's Office, Consumer Protection Division, will provide a panel discussion with four speakers and topics. They are: (a) Shannon Smith – issues of privacy and data security; (b) Rebecca Henderson – computer forensic investigations and technology trends and changes; (c) Becky Sears – computer fraud and identity theft education and outreach, general trends and statistics related to these issues; and, (d) Katherine Tassi – the Attorney General's Office litigation and enforcement efforts with respect to Internet fraud and spyware, as well as some enforcement actions throughout the United States.

Sessions #2-4. The topics and speakers for these sessions at annual fraud conference have not yet been completed.

President Joe Dervaes and Vice-President Norm Gierlasinski will co-chair 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).

Our host, the State of Washington Housing Finance Commission, controls the conference room where our meetings are held. In February 2005, the Commission revised its security for access to its training room. We are NO LONGER required to sign-in with the receptionist on the 27th Floor to obtain a visitor's badge. Please report directly to the training room on the 28th Floor of the building.

We meet at the training room promptly at 2:30 p.m., hold a 30 minute networking session at 3:30 p.m. in the middle of the class, and then complete all fraud seminars at 4:45 p.m. sharp. The Commission has asked us to depart the training room promptly because their

duty day ends at 5:00 p.m. We appreciate using this fine training facility for our fraud seminars, and respectfully request everyone abide by the Commissions rules.

(1) Links to ACFE and Chapters

The Board of Officers has identified the following CFE Chapter web-sites that may be useful to our Members. Here they are:

Association of Certified Fraud Examiners B www.ACFE.com

Pacific Northwest Chapter/ACFE B www.fraud-examiners.org

Oregon Chapter/ACFE B www.oregon-acfe.org

Spokane Chapter/ACFE B www.spokanefraud.org

Vancouver, B.C., Canada Chapter/ACFE B www.cfevancouver@yahoo.cca

(2) Additional Fraud Links

The Board of Officers provides the following additional links to its Chapter Members as a public service. Here are just a few of them:

Complaints about Internet Fraud may be filed with the Internet Fraud Complaint Center (www.ifccfbi.gov).

Complaints about e-mail and mail fraud may be filed with the U.S. Postal Inspection Service (www.usps.gov/postalinspectors). The primary use is for Nigerian (and other African countries) fraud e-mails or letters that are received. PS Form 8165 (Mail Fraud Report) lists many other uses as well. This form may be downloaded and then mailed to the U.S. Postal Inspection Service to file a complaint and submit the fraudulent document received. The mailing address is U.S. Postal Inspection Service, Inspection Service Support Group, 222 South Riverside Plaza, Suite 1250, Chicago, IL 60606-6100.

The U.S. Postal Inspection Service web-site lists additional links to the The Chamber of Commerce and the Better Business Bureau (www.bbb.org), county or state Office of Consumer Affairs. In this state, that=s the Washington Attorney General=s Consumer Protection Division at www.wa.gov/ago, or nationally at www.naag.org. The Federal Trade Commission can be reached at www.ftc.gov.

Identity Theft links are at the Identity Theft Unit sponsored by the Washington State Patrol and the Washington State Department of Licensing at www.dol.wa.gov; www.idtheftcenter.org; www.consumersunion.org; and www.consumer.gov/idtheft.

John E. Reid and Associates, Inc. (Fraud Interview Training), Chicago, IL, www.reid.com. The Reid Preferred Group of Associations (RPGA) number for the Pacific Northwest Chapter/ACFE is A20-049. The RPGA number must be shown on the registration form in order to receive a discount on seminar registrations or to purchase products.

(3) Minutes of Semi-Annual CFE Chapter Board of Officers Meeting

(a) Call to Order. President Joe Dervaes called the semi-annual meeting for February 28, 2007, at 12:30 p.m. in the downtown Seattle training facility to order. Present were Board of Officer members: Joe Dervaes, Norm Gierlasinski; Bernadette McBride; and, Robert Goehring. Treasurer Roger Gulliver was absent due to business matters.

(b) Approval of Minutes. By unanimous vote, the Board of Officers approved the minutes for the following meetings: (1) semi-annual meeting of June 28, 2006; and (2) special meeting of December 1, 2006.

(c) Old Business. There was no outstanding business from prior Board meetings. There also will be no elections this year.

(d) New Business.

(1) President Joe Dervaes notified the Board of Officers that he intended to prepare a self nomination for the ACFE's 2007 Achievement in Outreach/Community Service Award. The winners of the ACFE awards will be officially announced at the 18th Annual Fraud Conference and Exhibition in Orlando, FL (July 16-18, 2007). If awarded to him, President Joe Dervaes will be present at the Conference to accept the award. There will be no costs involved since he will already be attending an ACFE Foundation Board of Director's meeting at the Conference.

(2) The Board of Officers unanimously voted to authorize Vice-President Norm Gierlasinski as the Chapter Representative for the annual meeting held in conjunction with the 18th Annual Fraud Conference and Exhibition in Orlando, FL (July 15, 2007), and to authorize Treasurer Roger Gulliver to pay not more than \$500 to him towards his expenses while attending the Conference. Vice-President Norm Gierlasinski will prepare a report of the meeting after the Conference that will be published in the Chapter newsletter.

(3) The Board of Officers unanimously voted to authorize President Joe Dervaes to purchase a combination DVD/VCR player for our TV set-up in the training room since we currently only have a VCR capability, and to authorize him to be reimbursed for this expense by Treasurer Roger Gulliver. Joe will comparison shop several sources before making the purchase which was estimated to be at least \$70. (The actual purchase price was \$100 plus tax.)

(4) Vice-President Norm Gierlasinski sent scholarship notification letters to Colleges and Universities in our geographic area of coverage. We hope to receive many well qualified student candidates for the Chapter and ACFE scholarship programs again this year. The Chapter will provide CFE reference letters to the ACFE for each student who submits their application for the Chapter's scholarship program. There are sufficient funds in the Chapter treasury for all of our activities and the scholarship program. The Board of

Officers unanimously voted to authorize Treasurer Roger Gulliver to pay for the award of up to two student scholarships of \$500 each in 2007.

(5) The Board of Officers unanimously voted to authorize President Joe Dervaes to register the Chapter as a supporter of National Fraud Awareness Week (www.FraudWeek.com). The kick-off for this event will be at the ACFE's 18th Annual Fraud Conference and Exhibition held in Orlando, FL (July 16-18, 2007).

(6) The annual joint Chapter/ACFE fraud training class will be held October 17-19, 2007, at the SeaTac DoubleTree Inn Hotel. There are two classes as follows, based upon our request to ACFE last year: October 17 is a one-day class on Investigating Conflicts of Interest. October 18-19 is a two day class on Professional Interviewing Skills. The instructors for these two classes have not yet been identified by ACFE. The ACFE has already reserved these dates for these training classes. The Board of Officers will assist with registration duties. The Chapter will receive three free registrations to these classes, two for assistance with registration duties, and one complimentary from the ACFE as in prior years. President Joe Dervaes will also attend at no cost because of his duties on the ACFE Foundation Board of Directors. The Board of Officers unanimously voted to authorize Treasurer Roger Gulliver to pay for the registration fee for any other member of the Board of Officers who wishes to attend these classes (maximum of one). This is a benefit to these individuals for their service on the Chapter Board of Officers during the year.

The Association will provide breakfast pastries and mid-morning and mid-afternoon refreshments on all three days of these training classes. The Association will provide lunch only on the first day of the two-day training class. Attendees will be on their own for lunch for the one-day training class and for the second day of the two-day training class. The Board of Officers also unanimously voted to authorize Treasurer Roger Gulliver to pay for luncheon expenses for Chapter Members who attend these two classes on the days when ACFE does not provide this service, as we have done in past years.

(7) The annual Chapter luncheon business meeting will be held June 27, 2007, at the Bahama Breeze Restaurant. Vice-President Norm Gierlasinski has made the restaurant reservations for this meeting. The Board of Officers unanimously voted to authorize President Joe Dervaes to purchase five gift certificates for \$25 each at a local book store to be used as door prizes for the annual business meeting on June 27, 2007, and to authorize him to be reimbursed for these expenses by Treasurer Roger Gulliver.

(8) After much discussion, the Board of Officers unanimously voted to award the 2007 ACFE Distinguished Achievement Award to Chapter Member Dale Bonn. Dale has been a strong supporter of all our Chapter activities in the past as well as a faithful attendee at our fraud training seminars and conferences. President Joe Dervaes will notify the recipient of this award and will prepare the nomination package for this award in Fall 2007 based upon input from the recipient.

(9) The joint Chapter/WSCPA Annual Fraud Conference is tentatively scheduled for December 14, 2007 at the SeaTac Marriott Hotel. However, the Board of Officers felt that this training date was too close to the Christmas Holidays and might result in reduced attendance at the event. President Joe Dervaes will contact the WSCPA and try to arrange a more agreeable date at the beginning of December 2007. (After coordination with the WSCPA, the Conference date was moved to Monday, December 3, 2007.) President Joe Dervaes and Vice-President Norm Gierlasinski will be the Co-Chairs and will attend the Conference at no cost. The Board of Officers voted unanimously to authorize Treasurer Roger Gulliver to pay for the registration fees of any other members of the Board of Officers who wish to attend the Conference (maximum of three). This is a benefit to these individuals for their service on the Chapter Board of Officers during the year.

(10) The Board of Officers must identify and select speakers and topics for the remainder of its calendar year 2007 training schedule. A speaker and topic have already been agreed upon for the April 25, 2007, meeting in downtown Seattle. A speaker and topic have tentatively been agreed upon for the June 27, 2007, meeting at the Bahama Breeze Restaurant in Tukwila. After much discussion, all members of the Board of Officers agreed to begin making contacts with speakers for the August 29, 2007, meeting in downtown Seattle and for the four sessions of our annual fraud conference at the SeaTac Marriott hotel in early December 2007. (After coordination with the WSCPA, the Conference date was moved to Monday, December 3, 2007.) The Board of Officers will be working diligently throughout the remainder of the year to complete all speaker assignments for our annual training schedule.

(11) President Joe Dervaes reported that we have not yet received the final accounting from the WSCPA for the 2006 Annual Fraud Conference. He will follow-up with the WSCPA to expedite the completion of this task so that we can close-out all of our activities for calendar year 2006.

(12) Because of current workload requirements, Chapter Member Kent Hansen has requested to be relieved from his duty as WebMaster. Accordingly, President Joe Dervaes is making arrangements to accept this duty from Kent in the near future. Kent is going to purchase a copy of the Front Page computer software from a source on e-Bay so that it can then be installed on Joe's home computer. Once that has been accomplished, and essential training accomplished, WebMaster duties will be officially transferred. During the interim period of time, Kent will continue to be the WebMaster and to distribute our bi-monthly electronic newsletter.

(13) The ACFE has established a new program for Chapters and will reward participants with a \$400 stipend for submitting a Chapter Management Plan and a Chapter Action Plan to ACFE by the due date of March 8, 2007. The Board of Directors reviewed the documents for this new program, discussed the matter at length, and then jointly prepared the input for these two documents during the meeting. The Board of Officers unanimously voted to authorize President Joe Dervaes to submit the final documents to ACFE by the due date so that we will receive the stipend.

(14) Adjournment. The semi-annual Board of Officers meeting was adjourned at 2:15 p.m. by President Joe Dervaes, and the Members then attended the bi-monthly fraud training seminar at 2:30 p.m. at the downtown Seattle training facility.

(4) Training Opportunity

The Pacific Northwest License, Tax, and Fraud Association will be sponsoring its Annual Fraud Conference at the Shilo Inn Hotel at Ocean Shores, WA during the period May 2-4, 2007. The schedule of events includes insurance fraud, face reading, personal safety, investigative internet use, a DEA case study, e-Bay paypal fraud, counterfeit money, identity theft, money laundering, postal inspection fraud, and statistical sampling. Additional information can be obtained at the PNLTFAs web-site at: <http://www.pnltfa.com>. You must be a member of PNLTFAs to register for this fraud conference. The cost of membership in the organization is minimal.

(5) Chapter Members in the News

(a) Chapter Associate Member Dr. Robert Holtfreter, Professor of Accounting at Central Washington University, has jointly authored an article on "Correlation of Complex Evidence in Forensic Accounting Using Data Mining". His co-authors are Boris Kovalerchuk, Computer Scientist at CWU; and, Evgenni Vityaev, Institute of Mathematics, Russian Academy of Science. The article will be published in a future issue of the *Journal of Forensic Accounting*, a top academic fraud journal.

Dick Carozza, Editor of *Fraud Magazine*, has also asked Dr. Holtfreter to write a column for the magazine that will focus on identity theft issues and other related credit card fraud topics. This effort would undoubtedly build upon the foundation of a prior series of articles that he co-authored and published in the magazine during the past few years.

Dr. Holtfreter is also on the Editorial Board for *Fraud Magazine* and the *Journal of Forensic Accounting*.

Dr. Holtfreter is once again teaching a class on *Fraud Examination* at Central Washington University. This class follows the format established by ACFE for fraud examination courses at colleges and universities in the U.S. Guest speakers are invited to share their life experiences with students as they learn about career opportunities in forensic accounting. Dr. Holtfreter has asked Chapter President Joe Dervaes to be a repeat visiting guest lecturer during the current class. He will represent the ACFE and the Pacific Northwest Chapter while making this presentation on February 26, 2007.

Congratulations to Dr. Holtfreter for his continuing fraud education work in his chosen profession. The Chapter Board of Officers appreciates his contributions to improve the common body of knowledge in the field of fraud examination through a wide variety of professional activities. Keep up the fine work!

(b) Chapter President Joe Dervaes extends our Chapter's community outreach and fraud training to colleges and universities throughout the state of Washington, as well as to CFE Chapters throughout the nation. He made the following fraud presentations during February and March 2007:

(1) Central Washington University, Chapter Associate Member Dr. Robert Holtfreter's Fraud Examination Class, February 26, 2007, guest lecturer on the topic of Internal Controls and Fraud, and What is a CFE, Ellensburg, WA.

(2) Pacific Northwest Chapter/ACFE, February 28, 2007, speaker at Chapter fraud seminar on the topic of The Fraud Interview, Seattle, WA.

(3) Centralia College, Professor Ron Hall's Accounting Class, March 7, 2007, guest lecturer on the topic of Internal Controls and Fraud, and What is a CFE, Centralia, WA.

(4) Middle Tennessee Chapter/ACFE, March 19-20, 2007, keynote speaker at Chapter's annual fraud conference on the topic of the Finance Officer's Guide to Employee Embezzlement in the Workplace, Nashville, TN.

Congratulations to Joe for his continuing fraud education work in his chosen profession. The Chapter Board of Officers appreciates his contributions to fraud education in a wide variety of state and national forums. Keep up the fine work!

(c) Chapter Member John Steinhoff was the guest lecturer at the Beta Alpha Psi Club (Accounting Fraternity) meeting at Seattle University on February 22, 2007. He gave the students some basic fraud terminology, discussed historic fraud cases that have been in the news (McKesson and Robbins, Charles Ponzi, ZZZ Best, Enron, WorldCom, Adelphia, and Parmalat), and covered some of the statistics from the 2006 Report to the Nation.

Congratulations to John for his continuing fraud education work in his chosen profession. The Chapter Board of Officers appreciates his contributions to fraud education at a local university. Keep up the fine work!

(d) On August 18, 2006, Chapter Member Dennis Wintch, a former reserve police officer, did his duty and captured a suspect running from the law. Here's a brief summary of the article quoted from the Everett Herald newspaper:

A former reserve police officer working in central Everett tackled and detained a man suspected of attempting to run over a police officer early today. The man was the focus of an intense search that began at about 9:30 a.m., closing streets and some businesses and bringing dozens of police officers from around Snohomish County. He was arrested just before 1 p.m. the search began after police shot at the man after he pinned an officer between the vehicle he was driving and a parked car. The man was last seen after he crashed the car in the 3800 block of Rucker Avenue and ran away. The man was captured by a former Everett police reserve captain who was working on a building in the

3700 block of Wetmore Avenue and spotted him walking nearby. The suspect ran and the former reserve officer chased him and threw him to the ground.

Dennis was a part of the television news coverage of the event that evening. Apparently, the suspect began the day with a domestic violence event. After being confronted by the police, the suspect used his car to attack the police officer. The police officer returned with weapons fire. The damaged vehicle crashed a few blocks away and the suspect fled on foot. The suspect eluded police for several hours. He was again spotted by a newspaper reporter who contacted the police. Dennis confronted the suspect who ignored his request to stop, indicating that he had done nothing wrong. Dennis then took the suspect down and subdued him until police arrived on the scene.

Congratulations to Dennis for going above and beyond the call of duty of a private citizen in assisting police to make the arrest in this case. You represent our CFE Chapter well. Dennis received the ACFE's Distinguished Achievement Award (2006) for his prior service on the Chapter Board of Officers, his support of the Chapter's fraud training efforts, and his outstanding citizenship represented by the article above.

Chapter President Joe Dervaes presented Dennis Wintch with the Distinguished Achievement Award for 2006 at the Chapter's February 28, 2007, fraud seminar in downtown Seattle. See picture below.



(6) ACFE Program for Chapter Goals Completed by Board of Officers

The ACFE recently initiated a \$400 stipend program for each local Chapter who prepared a list of goals and then rated the Chapter's operations for the year. The official names for the documents are Chapter Management Plan and Chapter Action Plan. The Board of Officers completed the requirements for this program during its February 28, 2007, meeting. President Joe Dervaes submitted the report in early March 2007. Our Overall chapter score was 97%, a good reason why we were selected as the winner of the ACFE's 2006 Chapter of the Year Award. Our Chapter goals for 2007 are as follows:

- (a) Provide between 31 and 39 hours of relatively inexpensive Continuing Professional Education training for the Chapter membership each calendar year;
- (b) Increase the Chapter's outreach and professional networking in the community; and,
- (c) Provide the opportunity for at least two college or university student scholarships to be awarded each year.

**PACIFIC NORTHWEST CHAPTER
ASSOCIATION OF CERTIFIED FRAUD EXAMINERS
(April 25, 2007)**

SEMINAR TOPIC: Medical Embezzlement – Insurance Billings Create the Perfect Storm

Medical practices have increasingly become victims of embezzlement through insurance billings and the high write-off accounts which provide the perfect opportunity for on-book fraud. See how banks are unwitting participants in negotiating these thefts. On-line insurance claims add to the risk of fraud perpetrators creating irregularities that can actually put doctors out of business.

Actual medical embezzlement cases will be used to illustrate how the rampant rise in thefts from medical and dental practices by managers and employees are devastating clinics. The speaker will share her frustrations in trying to get these cases to prosecution. She will also show how civil actions can assist in making claims to recover money from both the fraudster and banks as the slow wheels turn on the criminal front. Yes, banks are being held accountable for accepting stolen checks. And, civil actions are holding embezzlers accountable by preventing them from working in position of financial responsibility once convicted of their crimes.

SPEAKER: Linda Saunders, CFE, CPA, CGFM

Linda is a former President of the Pacific Northwest Chapter/ACFE. She has an AS degree from Olympic College in 1978, a BA degree in accounting from the University of Puget Sound in 1981, and an MPA degree from the University of Oklahoma in 1993.

Ever worry that a client or employee might be cooking the books? What about the divorce where one spouse can't find the assets that are being hidden for the next sweetheart on the horizon? And, what about grandma who has been befriended by a neighbor who's getting a little too close to her financial affairs? As a full-time forensic accountant, these are cases that the speaker investigates. As the owner of her own forensic accounting practice, Forensic Accounting Consulting, since 1994, Linda follows the money trails for both civil and criminal litigation.

DATE: February 28, 2007 **TIME:** 2:30 B 4:45 p.m. **CPE:** Two Hours CPE Credit

Location of Training Facility and Parking: 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). If you're looking for parking, Special Events parking rates (\$6) apply for the parking garage at Benaroya Hall, just two blocks north of the training facility on Second Avenue.

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 (April 25, 2007 B 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. Or, bring your registration form and payment to the Seminar for processing.

SEMINAR TOPIC: Medical Embezzlement – Insurance Billings Create the Perfect Storm

Medical practices have increasingly become victims of embezzlement through insurance billings and the high write-off accounts which provide the perfect opportunity for on-book fraud. See how banks are unwitting participants in negotiating these thefts. On-line insurance claims add to the risk of fraud perpetrators creating irregularities that can actually put doctors out of business.

Actual medical embezzlement cases will be used to illustrate how the rampant rise in thefts from medical and dental practices by managers and employees are devastating clinics. The speaker will share her frustrations in trying to get these cases to prosecution. She will also show how civil actions can assist in making claims to recover money from both the fraudster and banks as the slow wheels turn on the criminal front. Yes, banks are being held accountable for accepting stolen checks. And, civil actions are holding embezzlers accountable by preventing them from working in position of financial responsibility once convicted of their crimes.

SPEAKER: Linda Saunders, CFE, CPA, CGFM

Linda is a former President of the Pacific Northwest Chapter/ACFE. She has an AS degree from Olympic College in 1978, a BA degree in accounting from the University of Puget Sound in 1981, and an MPA degree from the University of Oklahoma in 1993.

Ever worry that a client or employee might be cooking the books? What about the divorce where one spouse can't find the assets that are being hidden for the next sweetheart on the horizon? And, what about grandma who has been befriended by a neighbor who's getting a little too close to her financial affairs? As a full-time forensic accountant, these are cases that the speaker investigates. As the owner of her own forensic accounting practice, Forensic Accounting Consulting, since 1994, Linda follows the money trails for both civil and criminal litigation.

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. Check out our web-site at: www.fraud-examiners.org.