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The Fraud Examiner



ACFESM

Association of Certified Fraud Examiners

May/June 2011 Issue

Message from the President

Notice — Notice — Notice — Notice — Notice — Notice — Notice — Notice

Construction Warning. According to the Washington State Department of Transportation, there is going to be some road construction at the I-5 and I-405 interchange at the time of our June 8, 2011, Annual Luncheon Business Meeting and Chapter Fraud Seminar. Access to the SouthCenter Parkway which runs parallel to I-5 and near the entrance to the Bahama Breeze Restaurant, as well as a couple of the I-5 freeway exits normally used to reach the restaurant will be closed for construction. Access to the SouthCenter Mall from the South on I-5 and from the West on WA 518 will be difficult, if not impossible. Access to the SouthCenter Mall from the North on I-405 and from areas East of the mall will most likely be your best bet. To make sure that you arrive at the event by Noon, please plan ahead for road detours and construction delays in the SouthCenter Mall area. See <http://www.ci.tukwila.wa.us/southcenteraccessupdates.html> for current detour information. A word to the wise should be sufficient. Come early!

Notice — Notice — Notice — Notice — Notice — Notice — Notice — Notice

ACFE 22nd Annual Fraud Conference Team Registration Program. The ACFE one again offered team registration pricing for its 22nd Annual Fraud Conference and Exhibition to be held in San Diego, CA (June 12-17, 2011). This year, six Chapter Members participated in this program and received the discounted Conference registration fee. They were: Peter Tobin, Ron Sells, Gayle Seyl, Jenny Sims, Ted Carlson, John Tollefsen, and Julie Armbrust. Two other Chapter members are university educators and will also attend the Conference — Dr. Norm Gierlasinski (CWU—Des Moines Campus); and Dr. Bob Holtfreter (CWU—Ellensburg Campus). Three other Chapter members are break-out session speakers or moderators and will also attend the Conference — Joe Dervaes, Linda Saunders, and Marty Biegelman. The Chapter will be well represented at the Conference this year, and that's great news.

ACFE Chapter Awards Program. The Chapter nominated Dr. Bob Holtfreter for the ACFE's 2011 Achievement in Outreach/Community Service Award. Chapter Member Dr. Holtfreter and I collaborated to prepare the award nomination form and hope to be successful in the Chapter Awards Program this year. The Chapter Board of Officers wishes Dr. Holtfreter the best of success in this competition. The award will be presented to the winner at the ACFE's 22nd Annual Fraud Conference and Exhibition in San Diego, CA (June 12-17, 2011).

Please join the Chapter Board of Officers in congratulating Dr. Holtfreter for his outstanding community outreach efforts this past year.

Joe Dervaes/Chapter President/(253) 884-9303/joehandpeggydervaes@centurytel.net

Upcoming Training

Type:

Annual Luncheon
Business Meeting and
Chapter Fraud
Seminar.

Date:

June 8, 2011 (second
Wednesday).

Time:

Noon—2:00 p.m.,
including the
luncheon, a brief
business meeting, and
the fraud seminar.

Topic:

“The ACFE Ethics
Program for CFE
Professionals.”

Speaker:

Joe Dervaes, Chapter
President, and
Chairman of the
ACFE Foundation
Board of Directors.

Where:

Bahama Breeze
Restaurant, 15700
SouthCenter
Parkway, Tukwila,
WA, (SouthCenter
Mall).

Price:

The luncheon fee is \$10 for Chapter Members and \$15 for non-members. Student members may attend this event at no cost. There is no charge for the one-hour fraud seminar.

June 8, 2011 — Annual Luncheon Business Meeting and Chapter Fraud Seminar

June 8, 2011 (second Wednesday), is the date of our Annual Luncheon Business Meeting and Fraud Seminar held at Noon in the Bahama Breeze Restaurant at the intersection of I-5 and I-405 in the Northeast corner of the SouthCenter Mall in Tukwila, WA.

This meeting begins with a luncheon where members will be able to order from a variety of menu selections offered by the restaurant especially for our meeting. **The cost of the luncheon is \$10 for members and \$15 for non-members.** Student Members may attend this event at no cost.

The luncheon will be followed by a brief Chapter Annual Business Meeting where the Board of Officers intends to keep everyone informed about our fraud training mission and other Chapter activities.

The topic of the presentation for this meeting will be “The ACFE Ethics Program for CFE Professionals”.

The speaker for one hour of free fraud-related Continuing Professional Education is Joe Dervaes, Chapter President and Chairman of the ACFE Foundation Board of Directors. He has served on this Board for six and one-half years.

He previously served the ACFE and its members on the Board of Regents for four years, including three years as its Chairman. He is now a Regent Emeritus and an ACFE Fellow.

He also served the ACFE and its

members as a member of the Board of Review. He helped to deliberate several of the most complex ethics violation cases in ACFE history during his two years on the Board. The Board of Review is responsible for reviewing all complaints about violations of the ACFE's Code of Conduct and for recommending appropriate disciplinary action against members when necessary.

The speaker will discuss his life experiences on the Board of Review, and then cover important aspects of the ACFE's Code of Conduct and how they apply to Certified Fraud Examiners today.

Joe retired after 42.5 years of federal, state, and local government audit service on July 31, 2006. He is very active in the Association of Certified Fraud Examiners. In 1995, he received the Distinguished Achievement Award. In 2003, he received the coveted Donald R. Cressey Award for his lifetime contributions to fraud detection, deterrence, and education. This is the top fraud award in the world and is similar to the Pulitzer Prize in the field of Journalism. Joe is one of the three rank and file members of the Association that have ever been granted this prestigious award. In 2004, the membership elected him to be the ACFE Foundation Board of Directors, one of the highest positions any CFE may hold in the profession, where he now serves as Chairman. Recognizing his volunteerism and community service contributions, Joe received the 2007 Outstanding Achievement in Community Service and Out-

reach Award. In 2009, he received a Superior Service Award as one of four CFEs who have attended the first 20 ACFE Annual Fraud Conferences. In 2010, he received a Certificate of Appreciation for his long-term contributions to the ACFE's Fraud Common Body of Knowledge as an author of a By-Line Column on Frauds Finer Points in *Fraud Magazine*.

The ACFE now requires two hours of “ethics” training every year. And, this will be a good way for everyone to obtain at least one hour of Continuing Professional Education (CPE) in this important area.

The ACFE also intends to provide an additional one hour of “ethics” training through its webinar series. Check with the ACFE for additional details about its upcoming programs.

Other ways to obtain ethics training from the ACFE include its on-line self study courses and break-out sessions at the 22nd Annual Fraud Conference and Exhibition in San Diego, CA (June 12-17, 2011).

The annual luncheon business meeting and chapter fraud seminar is one of our best attended meetings of the year. So please be on time to get a good seat.

Door prizes will also be awarded; but, you must be present to win.

Sign-in to register and pay for this event at the door. Pre-registration is not required.

Highlights of the April 13, 2011, Bi-Monthly Chapter Fraud Seminar

April 13, 2011, (second Wednesday) was the date of our last bi-monthly fraud seminar at our downtown Seattle training location (1000 Second Avenue in the **Training Room** on the 28th floor of the Washington State Housing Finance Commission's offices).

The title of this fraud seminar was: "The Top 10 Things to Know About the Public Records Act".

The speaker was Greg Overstreet, Co-Founder of Allied Law Group in Olympia, which focuses on enforcing the Public Records Act, media law, regulatory litigation, and government affairs.

There were 2 hours of Continuing Professional Education available to all who attended this fraud seminar.

Prior to forming Allied Law Group, the speaker was the Attorney General's open-government ombudsman. While there, he wrote the model rules on public records and drafted several Public Records Act bills which were enacted into law by the Legislature. Prior to that, he was an attorney in the Seattle-based law firm of Perkins Coie. He is the Editor-in-Chief of the Washington State Bar Association's Deskbook on the Public Records Act. While attending Seattle University School of Law,

Greg also served as an editor for the Harvard Journal of Law and Public Policy. In 2010, Allied Law Group was named a U.S. News and World Report "Best Law Firm" for the Seattle area in Media/First Amendment, Administrative and Regulatory Litigation, and Government Affairs Practice.

This was another great training opportunity for everyone, regardless of their current occupation or industry. The Open Public Records Act is a hot topic that is ripped directly from the headlines these days. If you did not attend this fraud seminar you missed a really great presentation.

New Chapter Members

Please welcome new members who joined the Chapter during the period mid-March 2011 to mid-May 2011:

CFEs:

- Stephen Geertz
- Nancy Lalic
- Alwynn Lewis
- Gwynne Laurente
- Jerome Malysh
- Joel Smith

Associates:

- Meghan Hargreaves
- Wendy Wekulld
- Tony Martinez

Affiliates:

- Linda Kaye
- Steve Miller

New CFEs:

- Joel Smith

We have several Chapter members who are currently studying for the CFE Examination. So, we expect to see their names listed in this section of the newsletter in the near future. Let's all wish them success in this most important professional matter.

August 12, 2011—Joint Chapter and WSCPA Fraud Interviewing Class

August 12, 2011, (second Friday) is the date of a special one-day fraud interviewing class the Chapter will jointly sponsor with the WSCPA. The event will be held at the WSCPA's main headquarters building and training facility, 902 —144th Avenue N.E., in Bellevue, WA.

There are 8 hours of Continuing Professional Education available to all who attend this event.

The cost of this one-day training class has been set by the WSCPA. It is \$225 for Members and \$300 for non-members).

The Co-Chairs for this all day event are Chapter President Joe Dervaes and Chapter Training Director Dr. Norm Gierlasinski.

Similar to the Annual Fraud Conference, registration for this event is directly with the WSCPA at www.wscpa.org. There is a Chapter/WSCPA member discount for this training class. To receive this discount, CPA members may register by using the WSCPA's web-site; but, CFE Members must call the WSCPA at 1-800-272-8273.

The topic of this one-day fraud class is: "Fraud Interviewing Techniques". It will include the

areas of behavior symptom analysis, the behavior analysis interview, and a brief overview and introduction to The Reid Nine Steps of Interrogation.

The speaker will be the president of John E. Reid and Associates (Chicago, IL), Joseph Buckley. He is a recognized authority in this subject matter area.

Plan ahead and make sure you don't miss an opportunity to attend this exceptional training event.

“When a company announces an accounting restatement you ask no questions. You sell immediately.

You don't have to wait to see how much worse it's going to get. It's not going to get better.
-Dr. Howard Schilit

-Renew Membership and report CPE at the same time

-20 CPE required, 10 of which must be fraud related, and 2 of which must be ethics

-10 hours can be carried over every 12 months

ACFE Announcements

(1) After its 20th Anniversary, the ACFE has provided a free webinar exclusively for ACFE members entitled “Using the Report to the Nation to Enhance Your Anti-Fraud Efforts”.

(2) Use the new Fraud Risk Assessment Tool to assist your organization in identifying fraud risks and developing a fraud risk response.

(3) Visit the ACFE's Online Communities (Anti-Fraud Technology and Financial Institutions) to connect with other ACFE members, access shared documents, and blog or participate in discussion forums.

(4) Enroll in Auto Dues Service and receive a 5% discount in addition to saving time by setting up your membership

dues to be paid automatically each year.

Visit ACFE's web-site (www.ACFE.com) to find out additional information about these topics. All you have to do is click on “fraud resources” on the home page and follow the prompts. It's easy to do.

Ways to Complete The New ACFE Ethics Training Requirement

The ACFE offers some ethics-related on-line self study courses to help members satisfy the new CPE requirement of 2 hours of ethics. They are: Ethical Theory for Fraud Examiners; and, Practical Ethics for Fraud Examiners.

Additionally, CFE s may use ethics CPE obtained to satisfy their CPA license if the training falls within one of the following categories: (1) Regulatory Ethics; (2) Behavioral Ethics; or, (3) Professional

Ethics.

Some ACFE courses may be counted toward both fraud-related and ethics-related CPE requirements, such as: Ethics for Fraud Examiners; and, ACFE Code of Professional Ethics.

Read more about ACFE CPE requirements at: <http://www.acfe.com/career/maintaining-cfe.asp>.

2011 CPE reporting requires all ACFE Members to complete 20 hours of training, two hours of which must be in the area of “ethics” and 10 hours of which must in fraud-related areas. Certify CPE when renewing ACFE membership.

CPE Compliance for Certified Fraud Examiners

When you renew your annual dues you must certify your CPE compliance.

You are required to earn 20 hours of CPE from January 1, 2011 through December 31, 2011, **10 of which must be fraud related, and 2 of which must be on ethics.**

Report your CPE Compliance for 2010 and 2011 in your anniversary month in 2011 (online or call).

If a CFE has earned more than 20 CPE hour of CPE in 2010, they may carry forward up to 10 of these extra hours to meet their 2011 CPE requirements.

Now you can find all your CPE information in one convenient place. Browse the [My CPE](#) for information and updates on:

- How CPE Works
- CPE Changes from Year to Year
- Maintaining CPE Records / CPE Audit

You may access the [My CPE](#) from your [My Account](#) section or at ACFE.com/CPE.

It is understandable that you may have questions, so feel free to contact the ACFE's CPE Compliance Team or Member Services by calling (800) 245-3321 or +1 (512) 478-9000, or by e-mail at CPE@ACFE.com.

The Tidbit: Scam Alerts — No. 1: Lots of Scammers Are Trying to Take Seniors' Money; No. 2: Time-Share Trickery

Scam No. 1. This information was paraphrased from an article in the Thursday, May 6, 2010, issue of The News Tribune, Tacoma, WA by Rara McGuire.

The ballroom was packed with seniors who came for free food and information that promised to save them thousands of dollars.

But, this wasn't a free lunch seminar pushing annuities or selling estate plans. This was the fraud-fighters forum, an event put on by the AARP, the Better Business Bureau, and several government entities to give consumers a toolkit to find and report fraud.

A 2009 study estimated that victims of elder financial abuse lose \$2.6 billion each year. A disturbingly large amount of that fraud is perpetrated by family, friends, and caregivers according to a MetLife study. But, the sweepstakes scams, the charity scams, the sale of bogus long-term care insurance – that included in this figure too.

Seniors are targeted for fraud because the scammers know that's where the money is. Some seniors have dementia, and some are lonely. Both characteristics help scammers find a way.

The list of scams is a mile long. Companies that promise to help you with your credit card debt for a steep fee. Phone collection agencies. Companies claiming to sell health insurance when they really sell empty promises. Foreign lotteries. Free security systems that are anything but. The scammers are quick to adapt their schemes to the economic circumstances of the day and pay close attention to current events. Crooks waste no time concocting a scam where they ask for money to help travelers grounded by the Icelandic volcano ash.

Many of these scams described by the presenters were terribly familiar. One citizen received the phone calls claiming she won the lottery. But, when she told them to take the taxes out of her winnings, she never heard from them again. Another citizen attended the forum because of concern about whether his father and mother-in-law, both in their mid-80's – are being contacted by thieves. So, how can you make sure you're not a victim?

If a salesperson won't meet with you when your family is present, that's a red flag. High-pressure sales tactics – a salesperson who insists the deal will be gone tomorrow or won't leave until you acquiesce are additional warning signs.

When a postcard claiming you're a big sweepstakes winner lands in your mailbox, do your research. Look up the company with the Better Business Bureau and search for complaints online.

Just because you see ads in the newspaper or on TV, or hear about something on the radio, doesn't mean it's legitimate.

Then, there's the smell test. Walk a family member or friend through an offer before nibbling. By explaining it out loud to someone else, chances are that you or your confidant will figure out if the offer stinks.

Hundreds of individuals report scams each day. But, experts say these reports represent only a small fraction of the crimes that take place.

If victims don't come forward, the crooks will simply get away.

Scam No. 2. This information was paraphrased from an article in the June 2010 AARP Bulletin, by Sid Kirchheimer.

Every week citizens get unsolicited phone calls and postcards from self-proclaimed "time-share resellers" who promise a quick sale of your vacation unit to buyers they've already lined up for you. Citizens don't know how these individuals got their name, but they do know that the resellers all make the same promises and need money upfront in order to make the transaction happen.

In these tough economic times, thousands of time-share owners are anxious to dump their beachfront albatrosses. But, it can be tough – last year, time-share sales dropped 40 percent.

Preying on this widespread frustration, scammers identify owners through public property records or lists bought or stolen from resort developers, and then contact them with word that their problem is over. The Massachusetts Attorney General's Office says that time-share reselling scams were its top consumer complaint in 2009.

Many citizens fit the scammers' target profile. They desperately want to sell a unit they bought a number of years ago. Typical reasons include: (a) the family just doesn't use it anymore; and, (b) the maintenance fees keep increasing every year. One citizen originally paid a resort \$12,000 for a two-week ownership and later tried to sell it back at a significant loss. No luck. This individual has already been scammed twice. One caller promised him a rapid sale, but instead took \$400 and vanished. Another caller, one of 17 time-share resellers currently under investigation by the Florida attorney general, charged \$500 without delivering the "guaranteed" buyer.

(Article continued on page 8.)

Scam #1:
“Senior are targeted for fraud because the scammers know that's where the money is.”

Scam #2:
“Hopeful sellers lose upfront fees and await non-existent buyers.”

News From the Trenches-May 2011-By John J. Tollefsen, CFE, JD, CCS

Attacking Trusts and Other Asset Protection Schemes in which the Settlor is NOT a Beneficiary

This column is a continuation of an explanation of the state of Washington's Uniform Fraudulent Transfer Act (the Act).

The doctrine of Constructive Fraud does not apply if reasonably equivalent value is given.

What is "reasonably equivalent value" (REV)?

"Reasonably equivalent value" is not defined in the Act except in the context of foreclosure. The REV concept is adopted from the fraudulent transfer provision of the Bankruptcy Code [11 U.S.C.A. § 548(a)(2)] so decisions under the Code provide guidance to its meaning.

The Act defines "Value" as property transferred or antecedent debt is secured or satisfied in exchange for a transfer or obligation, but it excludes an executory promise to furnish support to the debtor or another person unless the promise is made in the ordinary course

of the promisor's business [RCWA 19.40.031(a)].

In the case of a grant of a security interest, reasonably equivalent value is the value of the interest transferred and the value exceeding the debt is available to creditors [*Sedwick v. Gwinn*, 73 Wash. App. 879, 873 P.2d 528 (Div. I 1994)].

A transfer is for "present value" if the exchange is intended by the debtor to be contemporaneous and is in fact substantially contemporaneous [RCWA 19.40.031(c)].

The price paid for property at a foreclosure sale is often substantially below fair market value. The UFTA provides a safe harbor for purchasers who give "reasonably equivalent value" if the purchaser acquires a debtor's interest in an asset pursuant to a regularly conducted, non-collusive foreclosure sale or execution of a power of sale for the acquisition or disposition of the interest of the debtor upon default under a mortgage, deed of trust, or UCC Article 9 security agreement [RCWA 19.40.031(b)].

In 5-4 decision, the United States Supreme Court reached the same

conclusion regarding mortgage foreclosure sale of real estate [*BFP v. Resolution Trust Corp.*, 511 U.S. 531, 114 S. Ct. 1757, 128 L. Ed. 2d 556 (1994)].

A transfer is not voidable if a secured party enforces a security interest in compliance with UCC Article 9 or if a landlord terminates a lease after default pursuant to the lease and applicable law [RCWA 19.40.081(e)].

Continued in next issue:

....What is the effect of failure to give "reasonably equivalent value" (REV)?

John J. Tollefsen is the founder of Tollefsen Law PLLC, an attorney, Certified Fraud Examiner, Certified Controls Specialist, and a member of the Pacific Northwest Chapter/ACFE.

You may contact him at: john@tollefsenlaw.com. And, you may also visit: www.TollefsenLaw.com for more information regarding fraud law.

Redesigned 2011 CFE Examination Preparatory Course Now Available

Here's an important message for everyone out there who is contemplating taking the ACFE's "CFE Examination" course in the future.

The most comprehensive tool available to help you pass the "CFE Examination" has been redesigned with an all-new user interface and enhanced features to improve examination preparation and keep you on track to earning your Certified Fraud Examiner professional credential. The "2011 CFE Examination Preparatory Course" introduces new components that provide you with the most effective examination preparation available, more efficient use of your

study time, and an intuitive, easy-to-use interface.

More Efficient Use of Your Study Time:

- (a) **NEW.** Pick the sections and topics most relevant to your examination preparation by creating custom review sessions.
- (b) **NEW.** Learn more from your practice examination session by reviewing the questions you missed, analyzing your results by sub-section and tracking your progress over time.

An All-New User Interface:

- (a) **NEW.** Review your progress with a streamlined design.
- (b) **NEW.** Stay on track to earning your Certified Fraud Examiner professional credential by measuring your progress toward your target certification date and using helpful checklists within the preparatory course software.

Contact the ACFE for additional information about this newly redesigned course at: www.ACFE.com or 1-800-245-3321.

Chapter Members in the News

(a) Chapter Community/University Outreach Committee Activities:

(1) Kanako Matsumoto, Committee Member, made a presentation to the Beta Alpha Psi Chapter of students and faculty members at Seattle Pacific University, Seattle, WA on Thursday, April 7, 2011. Her topics included an introduction to the ACFE, the CFE professional credential, student scholarship programs of the ACFE Foundation and our CFE Chapter, the importance of internal controls as a deterrent to fraud, as well as her life experiences dealing with fraud. Her presentation was well received by all.

(2) Chapter President Joe Dervaes, Committee Chairman, made the

following presentations:

(a) Dr. Kim Sims' Fraud Examination Class at Western Washington University, Bellingham, WA on April 19, 2011.

(b) Chapter Member Michael Kinsley's Graduate Studies Class on Internal Audit, Fraud, and Forensic Accounting at Seattle University, Seattle, WA on Thursday, May 5, 2011.

His presentations were titled "Sharing Life Experiences in Understanding Employee Embezzlement in the Workplace". He also introduced the students to the ACFE, the CFE professional credential, and the student scholarship programs of the ACFE and Chapter.

(3) Chapter Members Guido van Drunen, Principal, KPMG; and Bob Morgan, Investigations Group Manager, Financial Integrity Unit, Microsoft Corporation, was also speakers at the Puget Sound Chapter/IIA's Annual Fraud Conference on March 31, 2011. Guido spoke on the topic of "Traveling in Style—The Basics of Expense Reporting Fraud"; and, Bob spoke on the topic of "The Foreign Corrupt Practices Act—Fraud Risk".

All of these reported activities are an integral part of our Chapter's Community/University Outreach Program each year. And, kudos to all for participating in these activities and events throughout the year. The Chapter Board of Officers appreciates your fine efforts.

Member Spotlight—Jennifer Rauch, CFE, CPA/CFF



Welcome to the newest feature of our newsletter, Member Spotlight. We have added this feature to encourage our members to know each other better. Our first Member Spotlight is on Jennifer Rauch, CFE, CPA/CFF.

Jennifer Rauch CFE, CPA/CFF is a forensic accountant with RGL Forensics in downtown Seattle. She has worked there for six years. At work she spends her time evaluating economic damages for insurable losses and disputes in litigation. This includes loss measurements such as business interruption, stock loss and employee theft.

She discovered her interest in accounting in high school where they offered Accounting 101 as an elective. After working for years, she realized she needed further education to advance in her chosen career. She attended the University of Washington and approximately one year after graduation, she obtained her CPA.

Continued on Page 10

Chapter Member Peter Tobin Wins 2010 ACFE Distinguished Achievement Award—Presentation at April 13, 2011, Chapter Fraud Seminar

April 13, 2011 Awards Presentation. Pictured are Chapter President Joe Dervaes making the 2010 ACFE Distinguished Achievement Award presentation to Chapter Member Peter Tobin.



The Tidbit (Continued From Page 5)

The latest come-ons: The owner pays the reseller \$3,500 and they'll take the time-share off the citizen's hands. Another individual wanted a \$900 commission upfront, saying he had a family moving to the area from Mexico who wanted to buy the time-share. The citizen countered by offering the individual twice this commission amount, after the sale actually occurred, but the reseller said this was against the law.

Another variation on this swindle: Charging hundreds or even thousands of dollars in advance simply for listing the property, usually on a website. After payment is made, even that may not occur. It's way too easy to start a web-

site and do absolutely nothing but take upfront fees. So, beware!
Tips for Sellers:

- Never pay upfront fees.
- Any unsolicited contact from a time-share reseller, particularly one with the promise of a big payoff, is a red flag. On the average one-week time-share units sell for \$20,000 new and, on resale, fetch as little as a few thousand dollars, depending upon actual market conditions.
- Check with your resort about any resale programs it offers, newsletters with "for sale" listings, or partnerships with local real estate agents. Expect to pay a

legitimate agent a 10-30 percent commission for a resale.

- When listing online, stick with established websites such as: www.redweek.com or www.tug2.net. They may charge up to \$35 a year.
- Before doing business with any reseller, check its reputation at www.bbb.org and with your resort. Confirm licensing claims with your state's real estate commission. Visit www.vacationbetter.org/selling-your-timeshare for more sales tips.

Keynote Speakers Announced for the 22nd Annual ACFE Fraud Conference and Exhibition in San Diego, CA (June 12-17, 2011)

The ACFE's Annual Fraud Conference hosts the foremost authorities in the anti-fraud field. These experts will share their insights and address the key issues relevant to you and the fight against fraud.

John Walsh, Anti-Crime Activist, Host of America's Most Wanted.

Anti-crime activist and celebrity speaker John Walsh is the host of the nation's longest-running prime-time program and number-one crime-fighting show, *America's Most Wanted*. Walsh was named to CBS Portraits as one of the "100 Americans Who Changed History".

Lanny Breuer, Assistant Attorney General, Criminal Division, U.S. Department of Justice.

As head of the Criminal division, Mr. Breuer oversees more than 500 attorneys who prosecute federal criminal cases across the country and help develop the criminal law. Mr. Breuer is a national leader on a range of federal law enforcement priorities.

Dr. Howard M. Schilit, Author.

Dr. Schilit is an international leader in forensic accounting and corporate governance, as well as a renowned author. He will share his impactful insights that he has presented to our Congress, the SEC, and media outlets about causes and early warning signs of accounting tricks in public filings.

Joan Pastor, Ph.D., President, JPA International, Incorporated.

Ms. Pastor has uncovered numerous embezzlement and other fraudulent schemes over the years in her own work and with audit, risk, and finance colleagues. Over a period of 12 years, she formulated an understanding of the psychology behind severe unethical behavior and fraud.

In addition to the keynote speakers, the Conference program offers optional pre- and post-Conference sessions along with over 80 educational sessions in 11 parallel tracks.

Meet the Chapter's Student Scholarship Award Winners for 2011-12

2011-1012 Student Scholarship Award Winners.

The following two students received a \$500 scholarship award from the Pacific Northwest Chapter/ACFE for 2011-2012.

(1) Kim Ngan Tran is a citizen of the U.S. and a junior at Central Washington University (CWU) (Lynnwood Campus). She is majoring in Accounting and plans to graduate in Spring 2012.

She previously attended Shoreline Community College during Fall 2008-Spring 2010 and had a Grade Point Average (GPA) of 3.63 (Graduated with Honors). She transferred to CWU – Lynnwood Campus and has a GPA 3.90 (4.0 grading system) for Fall 2010-Winter 2011.

Kim is a member of the Society of Student Accountants, but has not participated in community services for the past couple of years because she attends

school full-time and works more than 20 hours per week. She has been a pharmacy technician for about five years now, but desires to obtain a B.S. degree in Accounting.

The Chapter provided a CFE reference letter for Kim and selected her as our Primary Candidate in the ACFE Foundation's student scholarship program.

(2) Akilah S. Rahmaan is a citizen of the U.S. and a graduate student at California State University, Fullerton/Mihaylo College of Business and Economics. She is majoring in Accounting with an emphasis on Taxation and plans to graduate in Spring 2012.

She obtained a Bachelor of Science Degree in May 2000 from California State University, Long Beach, CA. She majored in Business Administration: Management Information Systems and completed her studies from 1994-2000 with a GPA of 2.981 (4.0 grading system).

Kim's undergraduate work included studies at Howard University, Washington, D.C.; Mt. San Antonio College, Walnut, CA; Long Beach City College, CA; University of Phoenix AZ; Los Angeles Community College District, CA; College of the Siskiyous; and, Santa Barbara Community College. She is employed full-time at the present time.

The Chapter provided a CFE reference letter for Akilah and selected her as our Alternate Candidate in the ACFE Foundation's student scholarship program.

Chapter President Joe Dervaes sent congratulatory letters to each student scholarship award winner. And, the scholarship funds were disbursed directly to the student's university.

Please join the Chapter Board of Officers in congratulating these students for their success in the Chapter's student scholarship program.

Member Spotlight—Jennifer Rauch CPA / CFF, CFE (Continued from Page 7)

She first became interested in fraud examination when opportunity knocked on her door. In her words:

“The year was 2003 and I was working toward a master’s degree in accounting at the University of Washington. I owned a small condominium at the time. One day I received a knock at my door. It was the three Board members of the homeowners’ association seeking my help with a problem they had with the association’s bookkeeper.

The Board had recently had been made aware that some of the association’s utilities bills were not being paid in a timely fashion. The Board members were merely unhappy with the bookkeeper’s performance. They informed the bookkeeper that her services were no longer required and they asked that she provide all the association’s records that were in her possession.

The box of documents, when received, contained no historical record of checks drawn on the association’s bank account. I contacted the bank and requested copies of all checks drawn on the account for the past three years. The bank representative stated that that would cost the association hundreds of dollars in copying charges. I paused for a moment, and then mentioned to the bank representative that we are investigating a possible fraud. The representative’s demeanor did a complete reversal and we soon received all the check copies at no charge.

As I reviewed the check copies I found checks to Victoria’s Secret, QVC, and the University of Phoenix, to name a few. These were

clearly not expenses related to the management and upkeep of a condominium complex. As I looked at the check copies I felt a sense of total shock. Then my emotions changed to anger, particularly because, as a homeowner, I had a vested interest in the well-being of the association, and this was my first experience investigating a misappropriation of funds by a trusted individual. After I collected myself, I prepared a list of the questionable checks and their amounts. The list totaled to nearly \$40,000, which was a huge amount of money for our small condominium complex.

I accompanied the Board members to report our findings to the local police department, where to our surprise; we were informed that the prosecuting attorney will not prosecute on the grounds that we had nothing in writing indicating that the bookkeeper was not allowed to write checks for her personal use. Ultimately, the Board pursued the bookkeeper by means of legal representation and recovered at least some of the misappropriated funds. To my knowledge, the homeowners’ association recovered approximately \$5,000 of the \$40,000 theft.”

She enjoys learning from other chapter members during our meetings, especially the stories behind various frauds. She enjoys being able to interact with the speakers at

our smaller meetings. So whenever, she’s not busy at work, she attends our meetings in person.

She found out about our Chapter on the internet. Her employer encouraged her to obtain her CFE and in 2008, after having used the 2007 ACFE review course, she passed her test. She enjoyed reading the answer even when she got the review questions right, so she could understand why the answer is the right answer.

She says the following about the review course, “It is packed with relevant information that they don’t teach you at university. I highly recommend taking the review course before sitting for the CFE exam and before accepting an engagement for a fraud examination”.

She participates in mock trials for the International Association of Defense Council (IADC), most recently as an economic expert witness. She mostly reads non-fiction books and recently finished [13 Bankers – The Wall Street Takeover and the Next Financial Melt-down](#) by Simon Johnson, a professor at MIT Sloan School of Management. She also recommends the author Malcolm Gladwell for a new look at both professional and personal development.

If you would like to know Jennifer Rauch CFE, CPA/CFF better, she encourages you to contact her at work. Her e-mail address is: JRauch@us.rgl.com and her phone number is 206-682-6500. Her company web site is <http://www.rgl.com>.

If you’d like to volunteer to be the subject of our next Member Spotlight, please e-mail Julie at j_bollerud@hotmail.com.

Links to

ACFE Chapters

Pacific NW Chapter
www.fraud-examiners.org

Oregon Chapter
www.oregon-acfe.org

Spokane Chapter
www.spokanefraud.org

Boise Chapter
www.boiseacfe.org

Big Sky Chapter (Montana)
kathy.arata-ward@josepheve.com

Vancouver, B.C.
www.cfevancouver.com

Edmonton Chapter
www.acfe-edmonton.com

Calgary Chapter
www.acfecalgary.com

International ACFE Headquarters

www.ACFE.com

*Do you have ideas for our
next newsletter?*

*Want to write the review for
the last fraud training you
attended?*

*We would love your
feedback!*

Contact Joe Dervaes at
joeandpeggydervaes@centurytel.net



Other ACFE Fraud Training Opportunities

- 22nd Annual ACFE Fraud Conference and Exhibition, San Diego, CA, June 12-17, 2011.
- Principles of Fraud Examination, Austin, TX, July 18-21, 2011.
- Mortgage Fraud, Denver, CO, July 25-26, 2011.
- Investing on the Internet, San Francisco, CA, August 8-9, 2011.
- Fraud Risk Management, Washington, DC, August 11-12, 2011.
- Combo Course: Fraud Related Compliance & Interviewing Techniques for Auditors, Philadelphia, PA, August 15-17, 2011.
- Advanced Fraud Examination Techniques, Austin, TX, August 22-24, 2011.
- CFE Examination Review Course, Chicago, IL, August 29-September 1, 2011.
- Money Laundering: Tracing Illicit Funds, Boston, MA, September 8-9, 2011.
- CFE Examination Review Course, New York, NY, September 19-22, 2011.
- Financial Statement Fraud, Nashville, TN, September 19-20, 2011.
- Contract & Procurement Fraud, Las Vegas, NV, September 22-23, 2011.

The ACFE contact point for all course offerings is the Marketing Department, by phone at 1-800-245-3321, or at the web-site www.ACFE.com. Contact them for more information and actual registration procedures.

Other ACFE Chapter Annual Fraud Conferences

- Annual Fraud Conference, Spokane Chapter, November 2011. Contact the Spokane Chapter at: www.spokanefraud.org for additional registration details.
- Joint Annual Fraud Conference, Pacific NW Chapter and WSCPA, December 2, 2011.

To Receive the discounted registration fee for our Chapter's Annual Fraud Conference, contact the WSCPA's Education Operations Manager, Rachel Ingalls, by telephone at 1-800-272-8273 if you are not a CPA, or register on-line at the WSCPA's web-site at www.wscpa.org if you are a CPA.

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