

The Fraud Examiner



Pacific Northwest Chapter

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January/February 2012 Issue

Message from the President

Joint CFE Chapter/WSCPA Annual Fraud Conference.

The Chapter Board of Officers is pleased to report that this joint CFE Chapter and WSCPA one-day fraud training conference was a resounding success. Conference attendees rated their overall satisfaction for the event with a score of 4.61 (on a 5.0 scale), and this is always nice to get this kind of feedback about these types of training events. There were 114 individuals who attended this event on Friday, December 2, 2011, at the Meydenbauer Center in downtown Bellevue. Twenty people from this total (approximately 17.5 percent) represented our Chapter, a great response. Thanks to all who attended for your support of our Chapter's fraud training mission. Attendees received 8 hours of Continuing Professional Education credit for attending this event. Special thanks to Chapter Board of Officer Members Joe Dervaes and Norm Gierlasinski for serving as Co-Chairs for the Conference again this year. Two other Board of Officer Members were present at the Conference (Bernadette McBride and Robert Goehring) and were available to interact with other attendees to provide additional information about joining our Chapter. Thanks to all for your fine efforts again this year. See page three of this newsletter for additional information about the Conference.

Chapter Board of Officers Elections (Third Notice).

It's not too early to be thinking about your participation on the Board of Officers for our CFE Chapter. The terms of the current Board of Officers will be expiring at our 2012 Annual Business Meeting in Tukwila in June 2012. And, we do know that at least one Board Member will be stepping down at that time (me). I've been serving continuously on the Chapter Board of Officers since our Chapter was established in March 1993. I retired from active service to federal, state, and local governments in July 2006 (five years ago now). My term on the ACFE Foundation Board of Directors expired in July 2011. So, now the time is approaching for my term as your Chapter President to expire in June 2012. It's been a long and wonderful professional leadership experience for me, one that I will never forget. But, it's now time for new leaders to come forward and manage the Chapter in the future. Could that be you? The best way to get someone to volunteer to participate in a Chapter leadership position is to talk with them directly. And, I will be doing that throughout the coming year. But, I also want to provide this notice to all Chapter members now so that you can think about it and be ready to positively respond when the time comes. So, close your eyes and make believe you're talking to me personally, right now. When I ask you if you will serve, what will you say? I hope you'll say yes, definitely count me in! You won't regret it.

So far, one Chapter Member has expressed interest in serving on the Chapter Board of Officers (Jennifer Rausch). It's still very early in the election process, and I'm hopeful that others will decide to become a member of the Board of Officers. It's very rewarding work.

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

Upcoming Training

Type:
Bi-Monthly Chapter
Fraud Seminar.

Date:
February 8, 2012.

Time:
2:30 p.m.—4:45 p.m.

Topic:
Ethics for Fraud
Examiners.

Speaker:
Dr. Brian K. Steverson,
Gonzaga University.

Where:
Downtown Seattle at
1000 Second Avenue
in the Training Room
on the 28th Floor of
the Washington State
Housing Finance
Commission's offices.
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).

Price:
The seminar fee is \$20
for Chapter Members
and \$25 for non-
members. Student
Members may attend
this event at no cost.

Registration:
Register and pay the
Chapter at the door.
Pre-registration is not
required for this event.

February 8, 2012, Chapter Fraud Seminar in Seattle— Ethics for Fraud Examiners

Wednesday, February 8, 2012,
is the date of our next Chapter
fraud training seminar in the
Training Room of our down-
town Seattle training facility.
There are 2 hours of Continu-
ing Professional Education avail-
able to all who attend this
event.

The cost of this fraud seminar is
\$20 for Members and \$25 for
non-members. Student mem-
bers may attend this event at no
cost.

Pre-registration for this event is
not required. Register and pay
at the door.

The topic of this fraud seminar
is: "Ethics for Fraud Examin-
ers". Attending this event will
take care of your annual CPE
ethics requirement to maintain

your professional credential in a
current status.

The speaker for this event is
Dr. Brian K. Steverson, the John
L. Aram Chair of Business Eth-
ics at Gonzaga University's
School of Business Administra-
tion, Spokane, WA. He was a
member of the Philosophy De-
partment from 1992 until 2008,
when he assumed the Aram
Chair position. He has been
teaching business ethics at the
undergraduate and graduate
levels for 22 years. His current
research interests are the pro-
fessionalization of business man-
agement and the impact of cur-
rent work in the psychology of
human happiness on business
ethics and the structuring of
work.

This session will examine the
fundamentals of professional
ethics and how they are to be
generally interpreted in the
context of the work CFEs do.
The session includes a review of
the elements of the ACFE Code
of Ethics, with special attention
to interpreting key values such
as "integrity" and "due care",
which are prominent in the
Code in the light of those gen-
eral professional obligations
CFEs are bound by.

This class has been approved by
the ACFE and the WSCPA and
meets the two hours of ethics
training required by the ACFE
each year.

This class is just one more ex-
ample of the fine training op-
portunities the Chapter spon-
sors for its members.

Overview of April 11, 2012, Chapter Fraud Seminar in Seattle—Ponzi Schemes

April 11, 2012, is the date of
our following Chapter fraud
training seminar in the **Train-
ing Room** of our downtown
Seattle training facility. There
are 2 hours of Continuing Pro-
fessional Education available to
all who attend this event.

The cost of this fraud seminar is
\$20 for Members and \$25 for
non-members. Student mem-
bers may attend this event at no
cost.

Pre-registration for this event is
not required. Register and pay
at the door.

The topic of this fraud seminar
is: "Ponzi Schemes: Warning
Signs and Innovative Solutions."
The speaker for this event is:
Mark T. Calvert, Principal of
Cascade Capital Group in Seat-

tle, WA. Mark has more than
25 years of finance, operations,
and consulting experience. He
is a presenter on topics related
to financial restructuring and
capital strategies, forensic ac-
counting, tax, and transactions
including mergers and acquisi-
tions. He has been a featured
speaker at the Florida and
Washington Bar Associations,
the Turnaround Management
Association, and at various in-
vestor conferences. He is a
Certified Fraud Examiner, Cer-
tified Public Accountant, Certi-
fied Turnaround Professional,
and a Certified Insolvency and
Restructuring Advisor.

This session will examine a
Ponzi Scheme. Frederick Dar-
ren Berg was responsible for
the largest Ponzi Scheme ever
prosecuted in Washington

State. Berg, through his Meridi-
an Group mortgage securities
business, defrauded investors
out of nearly \$100 million be-
tween 2001 and 2012. Though
apprehended in 2010 when the
scheme collapsed, Berg had
been able to successfully hide
his activities from auditors look-
ing into Meridian's books.

It's critical that attorneys, ac-
countants, and auditors under-
stand the warning signs of fraud-
ulent activity and learn the best-
practice strategies that can be
employed for maximum asset
recovery.

This class is just one more ex-
ample of the fine training op-
portunities the Chapter spon-
sors for its members.

Highlights of December 2, 1011, Joint Chapter and WSCPA Annual Fraud Conference in Bellevue

Friday, December 2, 2011, was the date of our joint Chapter and WSCPA Annual Fraud Conference. This event was held at the Meydenbauer Center, 11100 N.E. 6th Street, in Bellevue, WA.

There were 8 hours of Continuing Professional Education available to all who attend this event. The Conference Co-Chairs are Chapter President Joe Dervaes and Chapter Training Director Dr. Norm Gierlasinski.

Registration for this event was directly with the WSCPA at www.wscpa.org. The cost of this class was \$225 for Chapter and WSCPA Members and \$300 for non-members. Pre-registration for this fraud event was required.

Speaker #1—Joseph R. Dervaes, Chapter President. Topic: Understanding Embezzlement in the Workplace: Stories from a Fraud Examiner's Career.

A fraud examiner with more than 40 years of experience in audit and fraud examination services had many interesting stories to tell. Joe Dervaes shared stories and lessons he learned through employee fraud case studies during his career working in federal, state, and local government.

Speaker #2—Detective Shelby Shearer, Bellevue Police Department. Topic: Credit and Debit Card Skimming.

Learn about the increasing dangers resulting from debit and credit card skimming activities, including identity theft. Hear about a substantial, complicated

international fraud investigation on this topic. Find out ways to ensure you don't become a victim of these crimes, and what to do if your personal financial world is invaded by fraudsters.

Speaker #3—Jim Brittain, WA State Auditor's Office (replacing The Honorable Brian Sonntag, Washington State Auditor who was unable to attend). Topics: (a) The State Auditor's Office Mission; and, (b) Cases from the Fraud Program.

(a) The State Auditor's Office independently serves the citizens of Washington by promoting accountability, fiscal integrity and openness in state and local government. Gain insight into the mission of this office and take a look at its highly successful fraud program for all Washington State agencies and local governments.

(b) Some unscrupulous employees will go to great lengths to illegally obtain government funds to spend for their own personal benefit. Hear the largest fraud cases from state agency and local government files. Get details on the detection and investigation of these fraud schemes, as well as the prosecution of the perpetrators who have committed these crimes. Discuss how organizations can improve internal controls to prevent these activities.

Speaker #5—Robert Kondrat, WA State Department of Financial Institutions. Topic: Getting to the Truth—A Securities Fraud Case Study, Part I, The Scheme; and, Part II, The Path from Investigation to Sentencing.

Explore the intricacies of a "pump and dump" securities

fraud recently investigated by DFI. You will gain an understanding of this type of fraud scheme and learn about the actual chain of events of this extremely interesting fraud case. Discuss the chronology of this securities fraud case, including steps in the investigation, prosecution, and sentencing the offenders. Gain insight into the various aspects of this complex investigation and learn the final outcomes for the perpetrators.

Speaker #6—Mitch Barker, WA State Office of the Insurance Commissioner. Topic: The Insurance Commissioner's Office Insurance Fraud Program: An Introduction; and, Investigating, Prosecuting, and Sentencing Offenders.

Are you familiar with the Office of the Insurance Commissioner's Insurance Fraud Program? Explore the ins and outs of this program, types of fraud schemes investigated, and the work of the Special Investigations Unit. Hear about specific fraud cases and discover current trends in insurance fraud.

You would be amazed at the diversity of insurance fraud schemes currently being perpetrated in this state. Review several of the largest and more complex insurance fraud cases investigated in recent years. Get an overview of the investigations and the prosecution of the perpetrators who have committed these crimes.

Conference attendees rated their overall satisfaction for the event with a score of 4.61 (on a 5.0 scale), an outstanding rating.

New Chapter Members

Please welcome the new members who joined the Chapter during the period mid-November to mid-January 2012:

CFEs:

- Justin Faires

Associates:

- <None>
-

Affiliates:

- <None>

Students:

- <None>

New CFEs:

- <None>

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.

ACFE Announcements

*"A fish rots
from the
head down"*
-A Proverb

(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.

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, CFEs 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/maintaining-credential.aspx>.

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 be in fraud-related areas. Certify CPE when renewing ACFE membership.

Be sure to check out the Pacific Northwest Chapter February 2012 training. The topic of this fraud seminar is: "Ethics for Fraud Examiners". Attending this event will take care of your annual CPE ethics requirement to maintain your professional credential in a current status.

**-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**

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 each year, **10 of which must be fraud related, and 2 of which must be on ethics.**

Report your CPE Compliance to the ACFE in your anniversary month (online or call).
If a CFE has earned more than 20

CPE hours of CPE in any year, he/she may carry forward up to 10 of these extra hours to meet their future 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: Lotteries and Sweepstakes; and, No 2: Identity Theft.

Scam No. 1. This information was paraphrased from the December 2010 AARP Bulletin by Sid Kirchheimer.

Lotteries and Sweepstakes

Times are tough, and scammers know it. So some of them are adopting a new business model for an old rip-off, raking in the cash with bogus lotteries and sweepstakes.

As always, the bait in these swindles, which are overwhelmingly targeting older Americans, is the promise of a huge cash windfall or choice merchandise because you have “won” a drawing. But to collect, you’re told, you first must pay insurance, taxes, or other so-called fees. The money you send is gone forever. The reality is the prize itself never existed.

What has changed is the amount of the upfront fees. Scammers used to ask people for hundreds or thousands of dollars. Fewer than one percent actually sent the money.

But in these hard times, scammers realize that not many people have lots of cash lying around. “And they know that more people have gotten wise to scams where you have to pay thousands of dollars”, says a fraud detective in the Tucson, AZ Police Department.

In one recent telephone sweepstakes, letters addressed to older Americans – the scammers had purchased mailing lists that revealed people’s ages – claimed that lucky recipients had won a new Toyota Corolla or its cash equivalent of \$15,503. The so-called evidence was laughable: a crude black-and-white photocopy of a supposed transfer of title,

lacking any appearance of authenticity that you’d find in a real Division of Motor Vehicles document.

And yet in just a few weeks before this ruse was shut down by the U.S. Postal Inspection Service, at least 4,000 older people nationwide took the bait – about ten percent of recipients – mailing back a \$39.95 “fee” to claim the nonexistent cars or cash. In the legitimate direct-mail business, “a five percent response rate is considered very good,” says the agency. Some people even paid \$20 extra for supposed over-night delivery of their checks.

“Victims are being snookered-in by the low dollar amount says the agency. They may suspect it’s a scam, but figure it’s only \$40. and take a chance because they spend that much on coffee. But that just makes some bad guys very rich, because so many other people are thinking the same thing.

So here’s the real deal:

- Legitimate contests never require you to send in upfront fees. Scam contests always do.
- A “what can I lose?” mindset puts you on sucker lists that scammers share with one another. Your presence on those lists assures you’ll be hit by future come-ons by mail, telephone, or the Internet.
- Scammers will sometimes send you a fake check with the letter, saying it’s part of the prize, with the rest to come later when you pay the fee. You’re urged to deposit it right away. The idea is that you’ll feel flush and send in the fee. But the check’s always worthless, so put it where it belongs – in the trash can.

Scam No. 2. This information was paraphrased from the Alaska USA Federal Credit Union Fall 2010 Journal.

Identity Theft

You work hard, pay your bills, spend responsibly, and you’re careful about protecting your personal information. So, how is it that you can still be scammed out of your hard-earned money and have your credit damaged by a thief?

Identity theft isn’t limited to online credit card charges and stolen mail. Some victims don’t even realize their information has been stolen until they’re contacted by a debt collector. They may find the thief has gone as far as obtaining a mortgage or car loan, or even committed crimes using their name.

The Federal government has taken measures to step up awareness about the increasing risks of identity theft and how to avoid it. Still, it happens far too often. According to the Federal Trade Commission, more than 9 million Americans have their identities stolen each year.

So, with all of the educational efforts and literature available on how to avoid it, how is it identity thieves remain so successful at their illegal trade? Some of their tactics may surprise you.

Do you ever hold your credit card in your hand while waiting to pay at the store? Identity thieves can snap a photograph of your card with a cell phone camera and use the card numbers to shop later.

Do you ever use the outgoing mail flag on your mailbox?

(Continued on page 8)

Scam #1:

“Scammers are lowering the ‘fees’ for lotteries and sweepstakes, hoping that they’ll get a bigger response from unsuspecting citizens. This new strategy seems to be working.”

Scam #2:

“It just doesn’t happen to the other guy you know. Everyone is vulnerable to identity theft.”

Fraud Law—January 2012—By John J. Tollefsen, CFE, JD, CCS

This column is a continuation of an explanation of Washington's Uniform Fraudulent Transfer Act (the Act) regarding preferences and bankruptcy preferences.

Final Installment: Defenses to Preferences claims under UFTA; Bankruptcy Preferences.

A transfer to an insider is not voidable in three circumstances [RCW 19.40.081 (f)]: (1) To the extent the insider gave new value, not secured by a valid lien, to or for the benefit of the debtor after the transfer was made; (2) If made in the ordinary course of business or financial affairs of the debtor and the insider; or, (3) If made pursuant to a good-faith effort to rehabilitate the debtor, and the transfer secured present value given for that purpose as well as an antecedent debt of the debtor.

A lien is valid if it is effective against the holder of a judicial lien subsequently obtained by legal or equitable process or proceedings [RCW 19.40.011(13)]. Court decisions on the parallel bankruptcy provisions give guidance in application

of these UFTA defenses. The complete article is at <http://www.tollefsenlaw.com/answers/The-Law/Fraud-Law/Fraudulent-transfers-WA.asp>.

Internet Counterfeit Check Fraud Revisited

A common scam is based on the apparent clearing of a cashier's check and the wiring of funds to the fraudster. Many law firms have been victimized by their clients who ask for prompt payment of a collection account. The law firm is asked to take its percentage of the collection and wire the balance to the client. The FTC advises that "[i]t's best not to rely on money from any type of check ... unless you know and trust the person you're dealing with or, better yet—until the bank confirms that the check has cleared". www.ftc.gov/bcp/edu/pubs/consumer/credit/cre40.pdf. The FTC is wrong. A little known fact is the clearing of a check does not protect the victim because the bank can always require the depositor (endorser) to pay the bad check.

In a recent case, the law firm called its bank and was told a \$187,750 check had cleared. The firm wired the funds to the client. The bank later discovered the

check was counterfeit and charged back the law firm's account. The court held the bank was not negligent and had exercised "ordinary care" by acting reasonably. The law firm was in the best position to detect the fraud because it should "know its client".

The dissent argued that the Citibank should be able to recognize whether its own check was counterfeit and should have done so in the 10 days it "seemed to stumble along" in this case.

Greenberg, Trager & Herbst, LLP v. HSBC Bank USA, 17 N.Y.3d 565, — N.E.2d — 2011 WL 4834474 (2011).

John J. Tollefsen is the founder of Tollefsen Law PLLC, an attorney, Certified Fraud Examiner, and Certified Controls Specialist.

john@tollefsenlaw.com. See TollefsenLaw.com for more information regarding fraud law. The complete article is at <http://tollefsenlaw.com/answers/The-Law/Fraud-Law/Fraudulent-transfers-WA.asp>.

Presentation of 2011 Chapter Distinguished Achievement Award

Make sure to attend the Chapter's February 8, 2012, bi-monthly fraud seminar in downtown Seattle to support one of your fellow Chapter members.

At this meeting, The Chapter will present its 2011 Distinguished Achievement Award to Dr. John J. Tollefsen, CFE, CCS, JD, founder of Tollefsen Law Office, PLLC in Lynnwood.

The Chapter Board of Officers approved this award at its February 9, 2011 meeting in Seattle. In addition, the Membership of our Chapter also approved this award at its June 8, 2011, Annual Luncheon and Business Meeting in Tukwila.

John is being recognized for his many years of service and leadership to the Chapter, his long-standing attendance at our Chapter fraud seminars, and for being a periodic speaker at Chapter fraud seminars as well.

John volunteered to be a member of the Web-Site and Newsletter Committee, and writes a by-line column for every issue of the Newsletter entitled "Fraud Law". This column deals with various aspects of financial fraud law and is always appreciated by our members.

Fraud cases from John's law practice are

routinely published in a wide variety of print media, and he even participates in a radio news show from time to time. In fact, John is one of our Chapter members with the largest number of newspaper articles and news radio show appearances.

Pictures will be taken when the presentation is made and will be included in the next issue of the Newsletter.

The Board of Officers joins the entire chapter membership in congratulating John for his fine achievements on behalf of the Chapter. Keep up the great work!

Chapter Members in the News

The following Chapter Members have been active in our community outreach program as follows:

(I) Dr. James S. Peet, CFE, principal manager of Peet and Associates, LLC in Enumclaw, WA had another article published in the December 2011 issue of *Pacific Maritime Magazine*. This article discussed "Keeping Track of the Cards". Dr. Peet also expects another article to

be published in a future copy of the ACFE's *Fraud Magazine* on the topic of "Independent CFEs Need to Check the Jurisdictions on Private Investigator Licensure Laws". Watch for it!

All of these reported activities are an integral part of our Chapter's Community 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.

Other Chapter members are encouraged to notify President Joe Dervaes about their recent or future presentations so that these events can be publicized in the Chapter newsletter.

The ACFE Law Enforcement Partnership

In order to enhance the anti-fraud experience and expertise of the public sector, the ACFE has initiated the ACFE Law Enforcement Partnership to assist domestic and international government and law enforcement agencies at the federal, state, and local levels by providing various discounts and benefits upon the official recognition of the Certified Fraud Examiner credential. Such benefits include, but are not limited to,

discounts on ACFE conferences, seminars and other learning methods, and discounts on certification.

Current participants dedicated to providing anti-fraud expertise to their employees include: the Department of Defense, the Federal Bureau of Investigation, the Internal Revenue Service—Criminal Investigation Division, the Securities and Exchange Commission, the

Government Accountability Office, the U.S. Postal Inspection Service, and numerous others.

The ACFE focal point for this program is Alani Mundie, CFE at amundie@ACFE.com, or visit www.ACFE.com/LEP.

Morgan "Jake" Jacobson Retires (Again)

After 10 years of outstanding service, Chapter Member, Morgan "Jake" Jacobson, CFE retired as the City Treasurer at the City of Tacoma, WA on December 31, 2011.

Jake has been a long-standing supporter of our Chapter over the years. And, he was the recipient of the Chapter's 2008 Distinguished Achievement Award. His leadership at the Chapter will be greatly missed.

Jake has experienced interesting and challenging jobs throughout his career. After graduating from the University of Washington, and after service time with the U.S. Army, he was a bank loan officer for 8 years, an Assistant director with the Washington State auditor's Office for 31 years, and an evening Accounting Instruc-

tor at Tacoma Community college for 14 years (including five years teaching Accounting 210 and 220 in the late 1970s at McNeil Island Federal Penitentiary for one light a week—where reportedly none of his students were ever tardy or skipped his classes).

As if he hasn't worked long and hard enough already, and after two retirements, his son, Mark, has offered him a part-time job working at his Allstate Insurance Office. We think he'll take the position.

Chapter President Joe Dervaes said: "Jake has been a great professional friend for many years, and a long-time supporter of our Chapter's fraud training mission. He was assigned to the Washington State Auditor's Office during my entire 22.5

year career with this important agency for the citizens of our state. And, I always counted him among that number of fellow colleagues anyone could always count upon to do the right thing at all times, including me. We go way back in time, and they were all great years."

The Chapter Board of Officers and the entire Chapter Memberships wishes Jake a very happy retirement and a long and prosperous life with his wife Marinette at their Tacoma home.

Jake — Here's an open invitation. Come join us for Chapter meetings in your retirement years when you get a chance. We will always be glad to have you join us for some outstanding fraud training.

The Tidbit—Continued

(Continued from page 5)

Identity thieves can get an easy indication there may be credit card numbers and checks inside if you do so.

Do you ever see odd-looking items at the ATM, like something sticking out of the card slot? Identity thieves can use skimming technology to capture your card information and PIN (such as false fronts to the ATM slot, cameras, spotters and their supervisors).

Do you ever throw away un-shredded mail that includes personal information? Identity thieves can easily use pre-approved credit card applications, bill stubs, old bank account statements, and

other financial correspondence they find to swipe your information.

Do you ever leave your garbage out for pick-up days before trash day? Identity thieves can come by in the middle of the night and make a quick getaway, along with all those important things you threw away.

Do you ever wait weeks between checking your credit union and credit card balances? Identity thieves can do plenty of damage in the one month period between statements. Review this information frequently.

Some victims of identity theft may be able to resolve the problems rather easily.

But, in serious cases, others may spend hundreds if not thousands of dollars trying to repair the situation. Some may be denied car, school, or mortgage loans, may lose out on a job opportunity, or even face legal consequences when a thief has broken the law using their information.

There's no such thing as being too careful with your information. Once it's stolen, the consequences can be far-reaching and lasting. Take some time to arm yourself with ideas on how to make it much harder on identity thieves to make you a victim. You'll be glad you did!

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 earn 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.

Another Nugget of Truth—Warehouse Clubs

This information was paraphrased from the December 2010 AARP Bulletin by Sid Kirchheimer.

Do empty nesters save at warehouse clubs?

Most definitely, according to the author. Though our children are now adults on their own, my wife and I still

shop at two warehouse clubs. True, we no longer buy those mega-size containers of food. But we continue to pay less for everyday purchases like meat and milk, as well as big items like tires and televisions.

Sometimes the savings are very big – I've seen warehouse price tags of half of other stores. So do the math – if you'll spend at

least \$300 a year at a club, it's probably worth the membership cost. And if you're having guests for that special holiday event, you may need mega-size food again. Who knows for sure.

So, think about it before you act. You'll always be glad you did.

Chapter Incentive Award Program for Passing the CFE Examination

At its June 8, 2011, meeting, the Chapter Board of Officers established an incentive award program for new CFEs. The initial period of the award will be calendar year 2012 (January 1 – December 31). Beginning in calendar year 2013, the Board will recognize one new CFE who passes the ACFE's CFE Examination each year by granting him/her an award of not more than \$500. This award will help at least one new CFE defray the cost of obtaining the CFE professional designation. The criteria and procedures for this incentive award program will be announced in the Chapter newsletter and posted on the Chapter's web-site. They are as listed below:

Incentive Award Program Annual Period. January 1 through December 31.

Membership Status. The award applicant must be an Associate Member of the ACFE and an Associate Member of the Chapter **before** signing-up to take the CFE Examination and **before** notifying the Chapter of his/her intention to apply for the award.

Notification to Apply for Award. The award applicant must **notify** the Chapter Board of Officers at any time **after January 1** of each year that he/she has registered to take the CFE Examination and that he/she intends to apply for the Chapter incentive award program **after** becoming a Certified Fraud Examiner.

Training Attendance Requirement. All award applicants **must attend at least two** of the Chapter's bi-monthly fraud training seminars held during the months of February, April, June, or August during the annual incentive award program period.

Notification of CFE Examination Results. Upon ACFE notification of passing the CFE Examination, the award applicant **must notify** the Chapter Board of Officers **not later than December 31** of each annual period by submitting a copy of his/her letter from the ACFE announcing that they have passed the CFE Examination, specifying that the award applicant has met all ACFE requirements to become a Certified Fraud Examiner, and providing their new CFE professional certification number granted by the ACFE.

Certification of Meeting Incentive Award Program Requirements.

The applicant must also submit **a written statement** to the Chapter Board of Officers **not later than December 31** of each year specifying the dates that they attended at least two Chapter fraud training events during the award period, and providing a detailed list of the personal expenses they incurred to become a CFE (reimbursement by the Chapter will not exceed a total of \$500). The applicant must also **certify** that they **have not been reimbursed** for any of these expenses from any other source, such as from their employer.

Incentive Award Program Selection Process.

After the Chapter Board of Officers has received notice from all award applicants who have passed the CFE Examination during each annual period (January 1 – December 31), it will determine which applicants are qualified to receive the award and then select the name of one of the qualified applicants to receive an annual award of not more than \$500 in a random drawing conducted during its February fraud seminar meeting. The selection process will be as follows:

- (a) Each qualified award applicant's name will be recorded on a piece of paper, and all applicant names will then be placed in a suitable container.
- (b) In a random drawing, The President (or next ranking Chapter Officer) will designate a Member of the Board of Officers to draw the name of one winning applicant from the container.
- (c) After verification, the Chapter Board of Officers will then declare this individual to be the winner of the annual incentive award program.
- (d) The award recipient will be announced during the Chapter's February fraud seminar meeting.
- (e) The Chapter Treasurer is then authorized to disburse the appro-

priate amount of funds to the award recipient.

- (f) If the award recipient is present at the February fraud seminar meeting, the President (or next ranking Chapter Officer) of the Chapter Board of Officers will make the award presentation during the meeting. If not, the award presentation will be made at a subsequent meeting.
- (g) Any pictures taken of this award presentation will be published in a subsequent Chapter newsletter.

Mailing Address for Documents.

Applicants should mail all required incentive award program documents to the Chapter at the following address: Pacific Northwest Chapter/ACFE; C/O Joe Dervaes, President; P. O. Box 318; Vaughn, WA 98394-0350.

Annual Chapter Dues

Annual Chapter dues and fees are due beginning in January 2012. The dues/fees structure has not changed from prior years and is as follows: \$24 for CFE Members; \$30 for Associate Members; \$36 for Affiliates of the Chapter (non-members); and \$-0- for Retired Members and Student Members.

The Chapter sent out e-mail notices and membership renewal forms for Calendar year 2012 in early January 2012. For those of you who are not required to make annual dues payments (i.e.; retired members and

student members), please send us your membership renewal form anyway so we can verify that all of your identification information is accurately recorded in our current Chapter Membership Directory. If you need a copy of the Chapter Membership Renewal Form, please contact Chapter President Joe Dervaes.

Our Federal Tax Identification Number is : 91-1592735. If your organization requires an IRS Form W-9, Request for Taxpayer Identification Number and Certification, please notify Chapter President Joe

Dervaes.

Please mail your Chapter membership renewal form and dues/fees payment (if applicable) to the Chapter Treasurer as soon as practical at: Pacific Northwest Chapter/ACFE; P. O. Box 215; Auburn, WA 98071-0215.

The Chapter Board of Officers thanks you for your prompt attention to this important financial transaction, and appreciates your continued support of our Chapter fraud training mission.

New ACFE Class on Ethical Issues for Fraud Examiners

The ACFE has developed a new class on "Ethical Issues for Fraud Examiners". It is a basic course level offering two hours of Continuing Professional Education credit to all who attend.

This class will help you understand what constitutes an ethical dilemma

and help you develop an awareness of ethical issues faced by fraud examiners.

This on-line course also presents six fictional scenarios that illustrate potential ethical situations that pertain to fraud examinations. The purpose of these

scenarios is not to provide you with solutions, but rather to familiarize you with some types of ethical dilemmas that might arise in a fraud examination. Contact the ACFE Bookstore for additional information on this class.

Volunteer Opportunity to Work with the Bellevue Police—Fraud Detectives

-Are you looking for a way to practice your fraud examination skills?
-Have you found it hard to get a job in the fraud world because you don't have experience?
-Have you ever wanted to give back to the community?

The Bellevue Volunteer Program Coordinator is looking for qualified CPE's to help their Fraud Detectives. The opportunity requires a minimum of 10 hours per month.

The application process is as rigorous as any employment application. It includes an application, an interview,

a reference check, a polygraph and a background check. However, if you make it through the process you will be working with an experienced team of Bellevue Fraud Detectives including a recent presenter at the WSCPA/ACFE Conference last December, Det. Shelby Shearer.

You will need to understand basic accounting rules and basic criminal law related to fraud and be proficient in Excel

Volunteers would meet with detectives to talk about cases, review documentation such as SAR's and police

reports, sit in on meetings with victims, offer advice to the detective on possible other places to look for evidence, create Excel spreadsheets which summarize the accounting data in a form that is easy to understand the movement of money, make recommendations to the detectives of possible other violations, and occasionally write an affidavit for a search warrant.

Interested? Please contact:
Marjorie Trachtman, CVA
Bellevue Police Department
Volunteer Program Coordinator
(425) 452-6017
E-mail: mtrachtman@bellevuewa.gov

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

- Money Laundering: Tracing Illicit Funds, March 1-2, 2012, Baltimore, MD.
- Fraud Related Compliance, March 5, 2012, Louisville, KY.
- Healthcare Fraud, March 6-7, 2012, Louisville, KY.
- Data Analysis, March 19, 2012, New York, NY.
- Investigating on the Internet, March 20-21, 2012, New York, NY.
- CFE Exam Review Course, March 26-29, 2012, Singapore.
- CRE Exam Review Course, April 16-19, 2012, Las Vegas, NV.
- Financial Statement Fraud, April 26-27, 2012, Columbia, SC
- Principles of Fraud Examination, April 30-May 3, 2012, Austin, TX.
- Digital Forensics Tools & Techniques, May 7-8, 2012, Chicago, IL
- Mortgage Fraud, May 10-11, 2012, San Diego, CA.
- Professional Interviewing Skills, May 10-11, 2012, Providence, RI

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

Other ACFE Chapter Annual Fraud Conferences

- Annual European Fraud Conference, March 25 - 27, 2012, London, UK,.
- 23rd Annual Fraud Conference and Exhibition, June 17-22, Orlando, FL
- Joint Annual Fraud Conference, Big Sky Chapter and MSCPA, September 6-7, 2012, Helena, MT.
- Joint Annual Fraud Conference, Pacific NW Chapter and WSCPA, December 7, 2012, Bellevue, WA.

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.

The Chapter Board of Officers

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