

The Fraud Examiner



Pacific Northwest Chapter

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March/April 2012 Issue

Message from the President

Chapter's Bi-Monthly Fraud Seminar in Seattle.

The Chapter Board of Officers offered a two-hour fraud seminar on the topic of "Interpreting the ACFE Code of Ethics" for our members on February 8, 2012, at our downtown Seattle training facility. I'm pleased to report that there were 35 individuals in attendance at this event. And, all of them have now met the ACFE ethics training requirement for their 2012 Continuing Professional Education. If you missed this fine event, you'll have to find another way to obtain this required training. There is good news however. The speaker, Dr. Brian K. Steverson, the John L. Aram Chair of Business Ethics at Gonzaga University, presented only Part One of this training class at our meeting on February 8, 2012. His presentation was very well received by those who attended this session. As a result, the Board of Officers has asked Dr. Steverson to come back again next year to present Part Two of this training class. He has since confirmed that he will be able to make this presentation at our April 10, 2013, Bi-Monthly Chapter Fraud Seminar at our downtown Seattle training facility. This will again meet the ACFE's annual ethics training requirement for all attendees. So, put this date on your training calendar and plan to attend the seminar. You'll be glad you did!

Nominating Committee and Upcoming Chapter Elections.

We will have Chapter elections at our June 13, 2013, annual luncheon business meeting and fraud seminar. The terms of office for the Board of Officers will be July 1, 2012—June 30, 2014. I have appointed a Nominating Committee to develop a slate of officers for these elections. They are: Member Morgan Jacobson; Member Cliff Whipple; and Member Kent Hansen. The slate of officers proposed by the Nominating Committee and the Board of Officers for 2012-2014 is as follows: President—Robert Goehring; Vice-President—Bernadette McBride; Secretary-Treasurer—Roger Gulliver; Director-At-Large—Julie Armbrust; Director-At-Large Jennifer Rauch; Training Director—Norm Gierlasinski; and President Emeritus—Joe Dervaes. The membership will vote on this slate of officers at the June 13, 2012, meeting. Robert Goering has agreed to accept the additional responsibilities associated with the President position, and we know he will do well. And, we all want to welcome Member Jennifer Rauch as the newest Member of our Board. She will be a welcome addition. Finally, a new position of President Emeritus has been established, and Joe Dervaes will be the initial individual selected for Chapter continuity purposes. Joe Dervaes has been Chapter President for 12 years and 9 months, or 66% of our Chapter's existence (March 31, 1993, to present). He will be receiving a special plaque recognizing his long-term commitment of service to the Chapter at the June 13, 2013, meeting, and there will be a special cake following the meal as well. Come join us for the festivities in the life and times of the Pacific Northwest Chapter/ACFE.

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

Upcoming Training

Type:
Bi-Monthly Chapter
Fraud Seminar.

Date:
April 11, 2012.

Time:
2:30 p.m.—4:45 p.m.

Topic:
Ponzi Schemes:
Warning Signs and
Innovative Solutions.

Speaker:
Mark T. Calvert,
Cascade Capital Group

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 Ave.
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.

April 11, 2012, Chapter Fraud Seminar in Seattle—Ponzi Schemes: Warning Signs and Innovative Solutions

April 11, 2012, is the date of our next Chapter fraud training seminar in the **Training Room** of our downtown Seattle training facility. There are 2 hours of Continuing Professional Education available to all who attend this event.

The cost of this fraud seminar is \$20 for Members and \$25 for non-members. Student members 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 accounting, tax, and transactions including mergers and acquisitions. He has been a featured speaker at the Florida and Washington Bar Associations, the Turnaround Management Association, and at various investor conferences. He is a Certified Fraud Examiner, Certified Public Accountant, Certified Turnaround Professional, and a Certified Insolvency and Restructuring Advisor.

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

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

It's critical that attorneys, accountants, and auditors understand the warning signs of fraudulent activity and learn the best-practice strategies that can be employed for maximum asset recovery as a result of Ponzi Schemes.

This class is just one more example of the fine training opportunities the Chapter sponsors for its members.

Overview of June 13, 2012, Chapter Annual Luncheon Business Meeting and Fraud Seminar in Tukwila

June 13, 2012, is the date of our following Chapter Annual Luncheon Business Meeting and Fraud Seminar at the Bahama Breeze Restaurant, 15700 Southcenter Parkway, Tukwila, WA 98188 (Phone: 206-241-4448).

There is 1 hour of Continuing Professional Education available to all who attend this event.

The cost of this fraud seminar is \$10 for Members and \$15 for non-members. The luncheon is free, and we always have a wonderful meal prepared for the attendees. Student members may attend this event at no cost.

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

The speaker and topic for the fraud seminar has not yet been determined at this time. The Board of Officers will announce this information in our next Chapter newsletter prior to the event.

This event is always our best attended meeting. So, put this date on your training calendar and plan to attend. You'll be glad you did.

There will be door prizes, but you must be present to win.

In addition, there will be an election of officers for your Board at this meeting. See comments in President's Message on the cover page of this newsletter for additional information about this meeting.

There will also be a special cake following the meal to honor departing Chapter President Joe Dervaes and to recognize him for his long-term service to the Chapter over the years. Come and join in the festivities!

Highlights of February 8, 2012, Chapter Bi-Monthly Fraud

Wednesday, February 8, 2012, was the date of our last Chapter fraud training seminar in the **Training Room** of our downtown Seattle training facility. There were 2 hours of Continuing Professional Education available to all who attended this event.

The cost of this fraud seminar was \$20 for Members and \$25 for non-members. Student members could attend this event at no cost.

Pre-registration for this event was not required. Attendees registered and paid at the door.

The topic of this fraud seminar was: "Interpreting the ACFE Code of Ethics (Part One)". Attending this event took care of the attendees ACFE annual CPE requirement for ethics training and maintains everyone's professional credential in a current status.

The speaker for this event was Dr. Brian K. Steverson, the John L. Aram Chair of Business Ethics at Gonzaga University's School of Business Administration, Spokane, WA. He was a member of the Philosophy Department 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 professionalization of business management and the impact of current work in the psychology of human happiness on business ethics and the structuring of work.

This session examined the fundamentals of professional ethics and how they are to be generally interpreted in the context of the work CFEs do. The session included 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 and in the light of those general professional obligations CFEs are bound by.

This was a most lively and interactive training event for all who attended this training. This class was approved by the ACFE and met the two hours of ethics training required by the Association each year.

If you missed this fine training opportunity, you'll have to find another way to get your ethics training for 2012. But don't worry, Dr. Steverson will present Part Two of this training class at our April 10, 2013, Chapter Bi-Monthly Fraud Seminar. Put this training on your calendar and plan to attend!

This class was just one more example of the fine training opportunities the Chapter sponsors for its members.

New Chapter Members

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

CFEs:

- Casandra Blocker
- Richard Bologna
- Nancy Pasternack
- Christopher Bacher
- Margaret Songtantaruk

Associates:

- Robin Howe

Affiliates:

- Char Caros

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.

Additional Training Opportunities—John Reid & Associates

John E. Reid and Associates, Incorporated, Chicago, Illinois, announces the following training classes on "The Reid Technique of Interviewing and Interrogation" (3-day program (\$450), 1-day advanced (\$240), and 4-day combined (\$580)) for the state of Washington in 2012:

April 30-May 3, 2012, Seattle, WA (Red Lion Hotel Fifth Avenue)

June 12-15, 2012, Kent, WA

June 26-28, 2012, Bellingham,

WA

September 11-14, 2012, Bellevue, WA

November 6-9, 2012, Seattle, WA (Red Lion Hotel Fifth Avenue).

Call 1-800-225-5747, extension 14 or 24 to register for any of these classes, or visit their website at www.reid.com.

Be sure to use the CFE Chapter's RPGA Discount Code at the time of registration. The number is: A20-049.

Learn how to assess the credibility of statements; how to structure the interview to maximize the flow of information; how to use behavior provoking questions in the interview process; how to persuade a suspect to tell the truth about their involvement in criminal activity; and, how to develop interrogation themes, handle denials, overcome objections, and use alternative questions. In the Advanced Program, learn to psychologically profile suspects for interrogation.

ACFE Announcements

“This is the hardest thing I’ve ever had to do. But it is the law and we follow the law, and I will begin to do that tomorrow.”

-Rod Blagojevich on reporting to Federal prison

-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

(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, 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/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.

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 Alert: Common Scams and Ways to Fight Back.

Scam. This information was paraphrased from the Winter 2010 USAA Magazine.

Defend Yourself Against Fraud – Tips to Spot and Avoid.

Common Scams.

(1) Automobiles.

On-line and on the lot. Unscrupulous automobile dealers prey on service members who yearn for a new set of wheels. “Deployed military members dream about the car they’re going to buy with all that combat pay when they get home. At one installation, there was a parade of hot new cars with an infantry unit came home. Later, there was a parade of tow trucks. The drivers of those repossessed cars might not have been victims of a true scam, but they may have been victims of lenders who didn’t say his is really more than you can afford. Whether you’re fighting an actual scam or the urge to splurge, understand what you’re getting into.

How to Fight Back.

Beware of on-line scams. Fraudulent dealers may say the car is out of state. They may promise low prices and immediate shipping and require a wire transfer. Get an inspection and never pay by wire.

Recognize common schemes: the yo-yo, in which dealers sell you the car but later say the deal fell through after you put money down or gave them your trade-in; churning, when dealers sell you a car with high financing, repossess it when you can’t afford the payments and then resell the car; and the bait-and-switch, when dealers increase the interest rate at the

last minute.

Read the contract. A legitimate dealer will let you take the contract for legal review.

(2) On-line Businesses.

Young people are so comfortable on the Internet that a sense of overconfidence applies to any dealings they have there. But traps can catch people of any age. Phishing scams, in which fraudsters imitate a legitimate website to steal personal information and money, are on the rise. Once a scam site has run its course, they just take it down. It’s like playing Whack-a-Mole (copyright) – hit one and another one pops up.

How to fight back.

Even if an on-line business looks legitimate, check it out. Some appear to feature the Better Business Bureau report on the business, but they link to a report they’ve written themselves.

Look for phishing scam alerts on financial sites you use.

Don’t respond to e-mails that ask for personal information.

(3) Military Affiliated.

The military has collective purchasing power that garners great deals from legitimate businesses. But because of that, you also will see businesses lure the military into scams. Fraudulent groups that are tucked into strip malls and pocket offices may offer “special military financing”. Or you may get a phone call from “the Armed Forces Loan Center”, which doesn’t even exist.

How to fight back.

Check military affiliated groups

with your installation’s family life center or legal services office, or inquire through your chain of command.

Verify the business’ status at bbb.org/military.

(4) Investments.

The longer you’ve been earning a steady income, the more you may be able to put toward retirement or investing. Scammers will try to get you with high front-end fees or bogus offers. Studies show the most common victim of investment scam is a middle-aged, white-collar, highly educated male. Why? They think they know what they’re doing.

How to fight back.

Use the BrokerCheck (copyright) tool at finrafoundation.org to check-up on a financial professional or firm.

Don’t be taken in by promises of returns that are too good to be true.

Take full advantage of your Thrift Savings plan, and research other investment options.

Guard your military pension. Don’t fall for scams that claim you can draw on it early for a fee.

Scam Summary:
“Learn how to fight back against the most common scams (i.e.; automobiles, on-line businesses, military affiliated, and investments).”

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

How the New UK Bribery Act Can Apply to US Business

International bribery (payments to grease the wheels of business) is a major problem all over the world. The United States has limited its laws against bribery to primarily reach payments to public officials and rarely prohibits kickbacks and bribery in private industry. The federal Anti-Kickback Act of 1986 (41 U.S.C. § 8701 et seq) covers payments to government contractors. The Foreign Corrupt Practices Act of 1977 (FCPA) prohibits illicit payments to foreign officials.

After the US led the way with the FCPA, the international community became involved through the 1997 Organization of Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (“OECD Convention”). The Convention became effective in 1999 and had been ratified by 38 countries including the US and the UK (http://www.oecd.org/document/21/0,3746,en_2649_37447_2017813_1_1_1_37447,00.html).

Individual countries are beginning to enact their own versions of the FCPA. The UK’s version, the Bribery Act, became effective on July 1, 2011 and is commonly referred to as the “FCPA on steroids”. There are a number of provisions that greatly expand

the transactions covered by the FCPA and its jurisdiction.

The first question is whether your business is covered by the Bribery Act. The FCPA limits its reach to issuers of securities of securities registered with the SEC. The Bribery Act’s jurisdiction is divided into two parts. Part I of the Bribery Act applies to all businesses that have a “close connection” to the UK. The mostly likely application of the close connection test to US businesses is to ones that own or control part or all of an entity “incorporated under the law of any part of the United Kingdom” (§ 12(3)). This seems easy to apply. Does your company control a UK incorporated entity? If so, you are covered by the Act.

Part II (§ 7) is potentially more of a serious risk for US businesses. It makes it a criminal offense for a “commercial organization” to fail to prevent bribery. A “commercial organization” includes any other body corporate (wherever incorporated) which carries on a business, or part of a business, in any part of the United Kingdom (§ 7(5) (b)) any other partnership (wherever formed) which carries on a business, or part of a business, in any part of the United Kingdom (§ 7(5) (d)). Any US business that makes sales into any part of the UK could be subject to the jurisdiction of Section 7 of the Bribery Act. The Act punishes the US business if an “associated person” violates Section 1 or 6.

Associated persons include any person or entity that “performs services for or on behalf of” the organization (§ 8(1)). This includes employees, agents, and subsidiaries (§ 8(3)). Employees are presumed to be associated persons absent a showing to the contrary (§ 8(5)). The Bribery Act states that “[t]he capacity in which [the associated person] performs services for or on behalf of [the company] does not matter,” (§ 8(2)) and the existence of an associated person “is to be determined by reference to all the relevant circumstances and not merely by reference to the nature of the relationship between” the company and the associated person (§ 8(4)).

How this will be enforced in practice is uncertain. The Series Fraud Office (“SFO”) has enforcement responsibility and has discretion to determine what conduct to prosecute.

Next addition – the requirements of the Bribery Act

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>.

ACFE Chapter Awards Program for 2012

At its February 8, 2012, Board of Officers meeting, the Board authorized Chapter President to prepare awards nomination packages for the following Chapter Awards Program categories in 2012:

-Chapter of the Year Award.

-Chapter Newsletter of the Year Award.

Chapter President Joe Dervaes submitted these awards nomination packages to Jeff Kubiszyn, Chapter Development Manager, the week following the Board meeting.

We will keep the membership informed on the results of the competition as information is received from ACFE.

Now, let the competition begin! And, may the best Chapters win.

Presentation of 2011 Chapter Distinguished Achievement Award

At our February 8, 2012, fraud seminar meeting, Chapter President Joe Dervaes presented 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 Business Luncheon and Fraud Seminar 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 has also 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.

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!

The picture below was taken during the presentation ceremonies on February 8, 2012, with Chapter President Joe Dervaes (left) and John Tollefsen (right).



In Memoriam—Wayne Donaldson, CFE

Wayne Donaldson, CFE, former chief of internal audit at the Washington State Department of Transportation, Olympia, WA passed away on February 2, 2012 after years of suffering from early-onset Alzheimer's disease. Wayne retired in 1996 and was in his mid-0s. Those who knew him well will always remember the vibrant and energetic Wayne they all knew from earlier years.

Former Chapter President Linda Saunders

said: I worked with Wayne while with WSDOT (1985-1987) while he and I were auditing the I-90 architectural and engineering contracts during the completion of I-90 from Bellevue to Seattle. Wayne was a fitness guy who ran nearly every day, even when we were in travel status. His mother preceded him in death from Alzheimer's in 2012, so the Donaldson family has dealt with this dreaded disease for many years. We'll all remember his vigor and healthy lifestyle as his family grieves for him.

Wayne is survived by his wife Julie, who is also retired from WSDOT.

The Chapter Board of Officers and membership join WSDOT and the ACFE in mourning the loss of Wayne Donaldson, CFE, and send its sympathy to his wife and extended family.

Chapter Members in the News

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

(1) Chapter Member Dr. James S. Peet, CFE, principal manager of Peet and Associates, LLC in Enumclaw, WA had an article published in the January/February 2012 issue of *Fraud Magazine* on the topic of "Independent CFEs Need to Check Their Jurisdictions on Private Investigator Licensure Laws".

(2) Chapter Director-At-Large Julie Armbrust, CFE, CPA, MBA, was a co-presenter to students at the Bothell Campus of the University of Washington on

February 2, 2012. The topic was "Forensic Accounting".

(3) Chapter President Joe Dervaes, CFE, ACFE Fellow, CIA, will make a presentation to Dr. Kim's Fraud Examination Class at Western Washington University in Bellingham on April 12, 2012. His topic will be: "Understanding Employee Embezzlement in the Workplace".

(4) Chapter President Joe Dervaes, CFE, ACFE Fellow, CIA, will also be the featured speaker at a break-out session of the ACFE's 23rd Annual Fraud Conference and Exhibition in Orlando, Florida, on June 20, 2012. His topic will be:

"Discovering the Secrets of Detecting Fraud in Accounts Receivable".

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.

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.

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.

At our February 8, 2012, fraud seminar meeting at our downtown Seattle training facility, two Associate Members of the ACFE and Chapter decided to throw their hat into the ring for this award by studying to pass the ACFE's CFE Examination in 2012. They are: (1) Ben Wolfgram, Internal Auditor, Port of Seattle; and, (2) Victoria Brazil, Case Manager, U.S. Bankruptcy Court. The Board of Officers wishes these individuals and anyone else desiring to pass the CFE Examination great success in their pursuit of this professional certification. Let the competition begin!

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

ACFE Announces Keynote Speakers for the 23rd Annual Fraud Conference and Exhibition in Orlando, Florida, June 17-22, 2012

The premier event for anti-fraud professionals - the 23rd Annual ACFE Fraud Conference and Exhibition - returns to Orlando this June 17-22 at the Gaylord Palms Resort and Convention Center. With dynamic new educational sessions, renowned speakers and unparalleled networking opportunities, you do not want to miss this year's event! Register early to take advantage of the best conference savings.

Keynote speakers for 2012 include:



Michael Woodford, MBE

Former Olympus Corp. CEO and Whistleblower

A 30-year veteran of Japan-based Olympus Corp., Michael Woodford held the position of CEO for just 6 months in 2011 before a sudden ousting. Reason for the firing became publicly known when the company recently admitted to Woodford's allegations of paying fraudulent advisory fees in a decades-long cover up.



Diana B. Henriques

New York Times Financial Writer

Diana B. Henriques is a senior financial writer at The New York Times and the author of *The Wizard of Lies*, a book about the Bernie Madoff scandal. She has largely specialized in investigative reporting on white-collar crime, market regulation and corporate governance.



Pamela Meyer

Author, LieSpotting

Pamela Meyer's mission is to help people become more accurate to get to the truth. Her non-stop presentations combine her extensive training and research with soft skills and business acumen to deliver an interactive presentation packed with valuable takeaways for you and your organization.



Mark Whitacre

Convicted Fraudster "The Informant"

Mark E. Whitacre, PhD, was an executive at Archer Daniels Midland (ADM) when he blew the whistle on the Fortune 500 company in 1992. He then worked undercover with the FBI to help expose one of the largest price-fixing cases in history. In an unexpected turn of events, Whitacre was later convicted of fraud and served over eight years in federal prison. Whitacre's story is the subject of the feature film "The Informant!" starring Matt Damon.

Visit FraudConference.com for the latest updates or to register online. To register by phone, or for any additional questions, please contact an ACFE Member Services Representative at 800-245-3321 / +1 (512) 478-9000.

Links to

ACFE Chapters

Pacific NW Chapter
www.fraud-examiners.org

Oregon Chapter
www.oregon-acfe.org

Spokane Chapter
www.spokane-fraud.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

- 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
- 23rd Annual Fraud Conference and Exhibition, June 17-22, 2012, Orlando, FL.
- CFE Examination Review Course, July 23-26, 2012, Boston, MA.
- Interviewing Techniques for Auditors; July 26-27, 2012, Denver, CO.
- Fraud Related Compliance, August 6, 2012, New York, NY.
- Auditing for Internal Fraud, August 7-8, 2012, New York, NY.
- Professional Interview Skills; August 9-10, 2012, San Francisco, CA.
- Fraud Risk Management, August 13-14, 2012, Philadelphia, PA.

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 and IIA Annual Fraud Conferences

- Puget Sound Chapter, IIA, Annual Fraud Conference, Washington Athletic Club, March 29, 2012, Seattle, WA.
- 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

President
 Joe Dervaes — (253) 884-9303
joeandpeggydervaes@centurytel.net

Vice-President
 Bernadette McBride — (360) 791-8824
bmcbride@dfi.wa.gov

Secretary-Treasurer
 Roger Gulliver — (253) 735-2392
rbgl@mindspring.com

Director-At-Large
 Robert Goehring — (253) 856-5262
rgoehring@kentwa.gov

Director-At-Large
 Julie Armbrust
j_bollerud@hotmail.com

Training Director
 Dr. Norm Gierlasinski
 (206) 439-3800, Extension 3825
njg4444@comcast.net