

The Fraud Examiner



Pacific Northwest Chapter

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November/December 2013 Issue

Message from the President

Changes on the Board of Officers

Congratulations to Chapter Member Pete Miller, CPA, CFE, for his appointment as Member-at-Large. Also, congratulations to Member-at-Large Julie Armbrust, CFE, CPA, MBA and Chapter Member James Peet, Ph.D, CFE, to their respective appointments as Vice-President and Member-at-Large, effective December 1, 2013. Thanks to Vice-President Bernadette McBride, CFE, CPA and Member-at-Large Jennifer Rauch, CPA for their service to the Board and Membership.

Joint Chapter/WSCPA Annual Fraud Conference

Just around the corner is the Joint Chapter/WSCPA Annual Fraud Conference on December 6, 2013, in Bellevue, WA (see details on page 2). I hope to see you there!

Chapter Incentive Program Award

I want to encourage any Associate Members (and those planning on becoming Associate Members) that are planning to obtain the CFE professional credential prior to December 31, 2013, to submit an application for the 2013 Chapter Incentive Program Award. See page 10 for additional details. This program provides reimbursement for up to \$500 of eligible expenses incurred during this year in obtaining the CFE credential.

Scholarships for Students

Encourage students in accounting and criminal justice to pursue a career in the fraud profession. Help them by spreading the word about the Ritchie-Jennings Memorial Scholarship. See page 4 for information about the scholarship. Due date: February 4, 2014.

Robert A. Goehring/Chapter President/(253) 856-5262/President@fraud-examiners.org.

Chapter Members in the News

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

(1) The Board of Officers appointed Chapter Board Member-at-Large Julie Armbrust, CFE, CPA, MBA to the position of Chapter Vice-President effective December 1, 2013 (replacing Bernadette McBride).

(2) The Board of Officers appointed Chapter Members Pete Miller, CPA, CFE and James Peet, Ph.D., CFE to the positions of Board Member-at-Large effective October 1, 2013 and December 1, 2013, respectively (Jennifer Rouch resigned effective August 28, 2013, and Julie Armbrust was appointed as Vice-President effective December 1, 2013).

Other Chapter members are encouraged to notify President Robert Goehring (President@fraud-examiners.org) about their recent or future presentations or publications so that these events can be publicized in the newsletter.

December 6, 2013-Joint Chapter and WSCPA Annual Fraud Conference-Bellevue, WA

Upcoming Training

Type:
Joint Chapter and WSCPA Annual Fraud Conference

Date:
December 6, 2013

Time:
8:00 a.m.-4:20 p.m.
(registration daily at 7:30 a.m.)

Topics:
“Annual Fraud Conference”

Course Leaders:
See announcement.
There will be five speakers for this event.

Where:
Meydenbauer Center
11100 NE 6th Street
Bellevue, WA
[Note: New Location from 2012 Event]

Price:
\$260 for Chapter and WSCPA Members and \$335 for non-members

Registration:
Register directly with the WSCPA at:
www.WSCPAorg if you are a CFE/CPA or call the WSCPA at 1-800-272-8273. Pre-registration is required for this event.

Friday, December 6, 2013, is the date of our joint Chapter/WSCPA Annual Fraud Conference.

Notice: There is a change in location for the Conference this year. It will be held at the Meydenbauer Center (11100 NE 6th Street), Bellevue, WA.

Registration is handled by the WSCPA and begins at 7:30 a.m. The conference begins at 8:00 a.m. and ends at 4:20 p.m.

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

Registration for this conference is directly with the WSCPA at www.wscpa.org. There is a Chapter/WSCPA discount available for this conference.

To receive this discount, CPA members must register online by using the WSCPA's website; but, CFE Members who are not also CPAs have to call the WSCPA at 1-800-272-8273 in order to register for the conference and receive the discount.

The cost of this class is \$260 for Chapter and WSCPA Members and \$335 for non-members. Pre-registration for this fraud conference is required.

The speakers and topics for this conference will be as follows:

Speaker #1 Joseph R. Dervaes, CFE, ACFE Fellow, CIA, Retired federal, state and local government audit and fraud examination services specialist. Topic: These Weights Didn't Measure Up! - A Fraud Case Study.

Speaker #2 Melinda J. Young, Senior Deputy Prosecuting Attorney, Economic Crimes

Unit Chair, King County Prosecuting Attorney's Office. Topic: The End Game.

Speaker #3 Edward Thunen, Enforcement Attorney, Securities Division, Washington State Department of Financial Institutions. Topics: A Wolf in Sheep's Clothing, Snake in the Grass, and a Trojan Horse Rolled into One Parts I and II.

Speaker #4 Joe Rogers, CFE, Special Agent, CDIU Team Leader, SSA/OIG/OI. Topics: Operation Smoke and Mirrors—A Fraud Case Study, and Operation Dialing for Dollars—A Fraud Case Study.

Speaker #5 Glenn Kaleta, CFE, CCEP, Principal Group Manager, Policy & Enforcement, and Andreas Holbrook, Senior Xbox LIVE Enforcement Program Manager, Microsoft. Topic: Battling Fraud on the Front Lines of Xbox LIVE Parts I and II.

ACFE Announcements

(1) After its 20th Anniversary, the ACFE has provided a free webinar exclusively for ACFE members entitled “Using the Report to the Nations 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.

Overview of the Chapter Fraud Seminar in Seattle— February 12, 2014

February 12, 2014, is the date of our next Chapter fraud training seminar at 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.

Preregistration for this event is not required. Register and pay at the door.

The topic of this fraud seminar is: "Applying and Understanding the

New ACFE Ethics Rules."

The speaker for this event will be John J. Tollefsen, Founder of Tollefsen Law, PLLC with offices in Seattle, Portland, Lynnwood and New York. He is an International business finance lawyer and litigator with multiple post graduate degrees from both U.S. and European schools. Over the years he has developed a passion for helping victims of financial fraud through the civil law. Dr. Tollefsen is a regular contributor to the Chapter Bi-Monthly Newsletter "Fraud Law" articles.

This session will examine the new ACFE ethical rules. John brings the perspective of a litigator experienced with the application of the American Bar Association Model Rules of Professional Conduct. The MRPCs are rooted in professional responsibility standards reaching back to at least 1854 and have been used for lawyer discipline and related litigation since 1908. John was a hearing officer for the WSBA for five years.

This class meets the ACFE annual 2-year Ethics Training requirements.

New Chapter Members

Please welcome the new members who joined the Chapter during the period early Sept 2013—late Oct 2013.

CFEs:

- Jeff Rosenquist

Associate Members:

- None

Students:

- 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 and 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 2013:

- December 3-6, 2013, Seattle, WA (Holiday Inn-Seattle, 211 Dexter Avenue North)

Call 1-800-255-5747, Ext. 14

or 24 to register for any of these classes, or visit their website at www.reid.com.

Prior to registering, be sure to contact Chapter President Robert Goehring to obtain the CFE Chapter's RPGA Discount Code. This discount is only available for Chapter members and may not be transferred to non-Chapter members.

Learn how to assess the credibility of statements; how to structure the flow of 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 handle denials, overcome objections, and use alternative questions.

In the Advanced Program, learn to psychologically profile suspects for interrogation, develop specialized tactics for juvenile interrogations and more.

***"For the most part fraud in the end secures for its companions
repentance and shame." - Charles Simmons***

-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***

Highlights of October 28 and 29-30, 2013—Joint Chapter and ACFE Fraud Classes—Cedarbrook Lodge-SeaTac, WA

October 28-30, 2013, were the dates of our joint Chapter and ACFE Annual Fraud Training Class. This event will be held at the Cedarbrook Lodge, 18525 36th Avenue South, SeaTac, WA (near the airport). Registration began at 7:30 a.m. each day. The classes began at 8:00 a.m. and ended at 4:25 p.m. each day.

There were two separate classes that were offered this year: *Fraud-Related Compliance* (October 28) and *Investigating on the Internet* (October 29-30). The respective ACFE course leaders were as follows: Allen F. Brown, CFE, CPA, Assistant Legislative Auditor, Louisiana Legislative Auditor, Louisiana Legislative Auditor's Office.

The first class was 8 hours and the second class was 16 hours, for a total possible 24 hours of Continuing

Professional Education available to all who attended these classes.

Registration for these fraud classes was directly with the ACFE. ((800) 245-3321, or at www.ACFE.com). Pre-registration was required for these classes.

The cost of these classes was as follows:

- (1) Fraud-Related Compliance—\$295 for ACFE Members and \$395 for non-members.
- (2) Investigating on the Internet—\$695 for ACFE Members and \$845 for non-members.

There was a \$95 discount for early registration (deadline—September 27, 2013). There were also an additional \$100 discount available for participants that registered for both classes.

There was no charge for parking (included in the registration fee).

There were 41 people that registered for the *Fraud-Related Compliance* class and 40 that actually attended, including eight members of the Pacific Northwest Chapter/ACFE.

There were 46 people that registered for the *Investigating on the Internet* class and 35 that actually attended, including five members of the Pacific Northwest Chapter/ACFE.

Both ACFE course leaders did an outstanding job of presenting the material as well as actively engaging with the class participants.

Ritchie-Jennings Memorial Scholarship Program

Are you mentoring a college student? Do you have friends or professional associates with children in college? Could they use some additional financing to pay for tuition? Are they interested in Fraud Prevention, Detection or Investigation?

The ACFE Foundation supports the education of students worldwide enrolled in accounting, business, finance and criminal justice who wish to pursue a career in fraud examination or similar anti-fraud profession.

Four different scholarship amounts are awarded: one \$10,000 scholarship, two \$5,000 scholarships, four \$2,500 scholarships and twenty-three \$1,000 scholarships. The Ritchie-Jennings Memorial scholarships are awarded in U.S. dollars and include a one-year ACFE Student Associate membership. Scholarships will be paid directly to a student's university.

To be eligible to apply, the applicant must

currently be enrolled full-time and similarly enrolled during the 2014-2015 academic year with a declared major or minor in accounting, business administration, finance or criminal justice at an accredited, four-year college or university.

Undergraduates must be enrolled 9 semester hours (or equivalent) per term and graduates must be enrolled 6 semester hours (or equivalent) per term. To be considered, applicants must complete the Ritchie-Jennings Memorial Scholarship application with the following:

- Official transcript(s) showing all completed college or university courses
- Three letters of recommendation

Letters of recommendation should be obtained from an individual who may have worked with you in a professional or educational capacity such as an instructor

or employer. At least one letter is preferred to be from a Certified Fraud Examiner (CFE). Students are encouraged to meet with a local ACFE chapter to become acquainted with a CFE.

2014-2015 Scholarship Schedule:

- Application Deadline – completed online by February 4, 2014
- Scholarship Award Recipients Announced – April 18, 2014
- Scholarship Awards Distributed – April 30, 2014

See <https://www.scholarselect.com/scholarships/12440-ritchie-jennings-memorial-scholarship> for more information.

Help the next generation of fraud professionals meet their career goals by spreading the word about this scholarship opportunity.

The Tidbit: Scam Alerts— (1) How To Avert A Disaster After Nature Strikes. Hurricane Hustlers; and (2) Fake Text Messages Soar As E-mail Users Wise-up. Spam in Your Hand.

Scam No. 1. This information was paraphrased from the Summer 2012 issue of AARP Bulletin by Sid Kirchheimer..

How to avert a disaster after nature strikes. Hurricane Hustlers.

Hurricane season peaks in September each year, and with it comes the rip-off repairmen eager to deliver a disaster of their own. They'll promise help when you need it most, just as they do after winter blizzards, spring tornados, and summer hailstorms. They're called storm chasers, going from town to town where disaster strikes to descend on traumatized homeowners and causing more problems than they fix. They often prey on senior citizens -- according to the Coalition Against Insurance Fraud, an alliance of consumer groups, insurance companies, and government agencies.

The National Insurance Crime Bureau says that storm chaser scams have exploded in recent years. There seem to be more and bigger natural disasters these days. And with each one, word spreads among the criminal element that there's quick money to be made in these scams. Typically they ask for up-front money on the promise of a quick repair, but then they disappear. Or any repairs they do make are shoddy, possibly leaving you financially

responsible for the mess they leave behind. In addition, homeowners insurance may not cover unauthorized or fraudulent repairs.

Here are some tips to help protect yourself.

- Before hiring any post-disaster contractor, ask your insurer to survey the damage and ask them about their suggestions for approved contractors. Or, find these names through your state's licensing agency on the website of the national association of State Contractors Licensing Agencies (www.nascla.org). Click on "Get Licensing Info."
- Never hire a contractor on the spot. Verify the company through the Better Business Bureau (www.bbb.org) and through past customer references. Be wary of any contractor who comes to your front door. Good ones don't need to solicit work this way.

• Avoid the paperless contractor. Reject anyone who has no business card or company fliers (or lists a post office box instead of a street address for their firm).

• Get proof of a contractor's license and workers compensation insurance coverage. Depending upon the size of the job, you may want to require a performance bond which protects you if the work isn't done according to

the contract.

- Damage or deception? Talk to neighbors about whether their homes suffered the damage your would-be contractor claims to see on yours.

- Get everything in writing, on company letterhead, including estimates, materials, prices, and completion dates. This information, along with a copy of the contractor's driver's license, should be shared with your insurer before you sign anything.

- Deposits or up-front fees should not exceed 25 percent of the estimate. Pay the contractor only after materials have reached your home and work has begun.

[President's Note: While we in the Pacific Northwest may not get hurricanes, we do experience other natural disasters such as earthquakes and flooding. The same lessons apply to all natural disasters.]

Scam No. 2. This information was paraphrased from the October 2012 issue of AARP Bulletin by Sid Kirchheimer.

Fake text messages soar as e-mail users wise-up. Spam in your Hand.

"You won!" "short on cash?"

(Continued on page 7)

Scam Alert

Summaries:

(1) "Never hire a contractor on the spot. Verify the company through the Better Business Bureau (www.bbb.org) and through past customer references."

(2) "'You won!' 'Short on cash?' About 45 million spam text messages are sent to North American cell phones every day."

The Tidbit-Continued

(Continued from page 6)

About 45 million spam text messages are sent to North American cell phones every day. If you don't have a text message plan, you'll pay around 20 cents for each one you receive. But, the real cost comes if you respond to those micro-messages about such things as: free gift cards; cheap mortgages and medications; and urgent "account problems" at your bank. That's because at least 70 percent of all cell phone text spam is designed to defraud you in some way – all this according to a study by Cloudmark, a company that makes anti-spam software. In contrast, only about 10 percent of spam arriving by e-mail is sent with that intent.

Spam in text messages may try to guide you to shady web-sites that will install "malware" on your phone to vacuum up all of the personal data stored on it. Or the messages may urge you to dial a telephone number where your personal and financial information is solicited. Whatever you provide is either used to steal your identity or sold to third parties who'll send you yet more spam texts when you participate (not advised).

In 2012, cell phone spam – often called "smishing" – has tripled compared with 2011 levels. E-mail delivered spam continues to drop following an 82 percent decrease in 2011. Why? For scammers, cell phone text messages are fast, cheap, easy, and effective. The thieves use inexpensive, hard-to-track pre-paid phones to transmit a myriad of text come-ons. When word spreads of the spam du jour, the scammers simply toss the phones they're using and buy new ones.

What's more, cell phone users are three times more likely to respond to spam than computer users. Because you always have your cell phone with you, answering it becomes more of an impulse reaction than anything else says Cloudmark.

Here's how to protect yourself.

- Ignore instructions to text "STOP" or "NO" to prevent future texts. This is a common ploy used by scammers to confirm they have a live, active contact for more cell phone spam. Never dial call-back numbers either.

- Forward the texts to 7726 (SPAM on most keypads). This will alert your cell phone carrier to block future texts from those numbers.

- Anti-malware software is available for many phones. The trade-off may be reduced battery life. So, check with your service provider or phone manufacturer for their recommendations.

- Install upgrades to your security software. If you suspect an upgrade notification is phony, check with your cell phone or software provider to confirm the validity of the upgrade.

- Never store credit card or account long-on information in e-mails or notes on your cell phone.

- When you get a text promising you a \$1,000 gift card, ask yourself: "Would anyone really give me that?" Using good common sense is your best defense. In addition, banks and other legitimate businesses don't send customers unsolicited texts.

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 by phone).
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.

Fraud Law—November 2013—By John J. Tollefsen, CFE, JD, CCS

Understanding the Role of SIPC in Protecting Investors from Fraud

The Securities Investor Protection Corporation (SIPC) is not a Federal Deposit Insurance Corporation (FDIC) for the securities brokerage industry. The Madoff and Stanford cases have highlighted the differences. The purpose of this article is to examine when, why, and how SIPC funds are used to assist fraud victims.

The FDIC was established in 1933 during the Great Depression to maintain stability and public confidence in the nation's financial system by insuring deposits and supervising financial institutions for safety and soundness. After thousands of bank failures in the 1920s and early 1930s, Congress decided that restoring confidence in the banking system required government action. As an independent agency of the federal government, the FDIC now insures approximately \$9 trillion of deposits in U.S. banks and thrifts – almost every bank and thrift in the country. Since the agency began its coverage on January 1, 1934, no depositor has lost any money in a FDIC insured institution. If a bank is failing, the FDIC takes over at the close of business on a Friday and quickly restores depositors' funds. In contrast, SIPC is small, having slightly more than \$1 billion in reserves. This is miniscule in comparison to stock fraud losses. Microcap stock fraud alone is

estimated to range between \$1 and \$3 billion per year. It covers only eligible investments that meet certain criteria such as unauthorized trading of a failed broker-dealer. SIPC's enabling statute impliedly excludes some "customers" of broker-dealer who are surprised by their exclusion. This exclusion was the key issue in the Stanford case described below.

SIPC is not a government agency or a regulatory authority like the FDIC. It is a nonprofit, membership corporation, funded by its member security broker-dealers. Investors of a failed broker-dealer have no right to force SIPC to cover or even consider their claims. Only the Securities and Exchange Commission (SEC) can sue SIPC. If the broker-dealer is small, investors must try to get someone in the SEC to take notice of the claim. If the failed broker-dealer is small or the closure is does not get much press coverage, the SEC often takes years before considering whether it will talk to SIPC regarding the investors' claims. If the SEC refuses to respond to the investors' claims, there is no recourse left for the investor.

Madoff: Although the litigation is ongoing, SIPC has refused to cover most of more than 16,000 Madoff-caused losses on the basis they invested through a feeder fund and the investors' names were not on the accounts carried on Madoff's books. Madoff aggregated the feeder fund investments in the names of the feeder funds. The SEC did not object to these exclusions from coverage by SIPC in the Madoff case.

Even though SIPC does not cover losses caused by investment advisors, it made an exception for Madoff clients since Madoff did not establish a separate entity for his investment-advisory services.

Stanford: SIPC refused to cover victims of the Stanford Ponzi scheme arguing they were not "customers" as defined by its enabling statute. During negotiations with the SEC, SIPC offered up to \$250,000 per investor in settlement. The SEC rejected the offer and for the first time in its history, sued SIPC. The district court agreed with SIPC's interpretation of the statute. "Customer" is defined in the statute as including "any person who has deposited cash with the debtor [broker-dealer] for the purpose of purchasing securities". Courts had required the broker-dealer to have actually "received, acquired or held the claimant's property" or the person is not a "customer".

Continued in the next edition

John J. Tollefsen, J.D., LL.M., 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. A footnoted version of this article can be found at: <http://www.tollefsenlaw.com/answers/The-Law/Securities/Securities-Fraud/Recover-SIPC.asp>. John Tollefsen is also a member of the Chapter's Web-site and Newsletter Committee and the contributor for all of the information presented in this column.

FBI Citizens Academy

The entertainment industry and the media have portrayed the FBI as the enemy and a hero at different times. What does the FBI really do?

Once a year each of the 52 field offices holds the FBI Citizen's Academy. The Seattle office offers the classes in the spring, but the application process starts in the fall. The course consists of 10

three hour classes. Business, civic and religious leaders are invited to apply. You must be 21 years or older, live within the Seattle Field Office's area of responsibility. (WA State), have no felony convictions and be able to pass a background investigation.

Contact the Seattle Field Office at:

FBI Seattle
Phone: (206) 262-2441
Fax: (206) 262-2046

Check out http://www.fbi.gov/about-us/partnerships_and_outreach/community_outreach/citizens_academies for more information.

ACFE 2013 Global Fraud Survey

The 2013 Global Fraud Survey is in full swing, and the ACFE is running a little friendly competition to encourage CFEs in the local ACFE chapters to participate. The survey is exclusively for CFEs.

The information collected in the survey will be compiled in the 2014 *Report to the Nations on Occupational Fraud and Abuse*. The *Report to the Nations* is one of the most widely quoted sources on white-collar crime statistics in the world; the information in the *Report* is used by anti-fraud professionals every day in their quest to detect, deter and prevent fraud.

The ACFE realizes that information regarding your past fraud investigations may be sensitive, but please be assured that the survey does not require you to identify yourself, the victim, the perpetrator, or any other parties. Additionally, the ACFE will not publish or distribute any information that could

identify anyone involved in the case.

The more responses the ACFE receives to the Global Fraud Survey, the more useful the data contained in the *Report to the Nations* will be. That's where the competition comes in. The local chapter could win a prize package valued at \$1,500. So that both large and small chapters can compete and be contenders, the ACFE will have two winners:

- The chapter that submits the highest number of completed responses to the survey
- The chapter that has the highest percentage of CFE's submit completed responses

As part of the survey, participants will be asked to which chapter they belong—so make sure and include the Pacific Northwest Chapter/ACFE to ensure that our Chapter gets the credit for your

response.

The prize package, which can be used for fund raisers, raffles, or other chapter activities, will include:

- One copy of the CFE Exam Prep Course
- One copy of the Corporate Fraud Handbook, Fourth Edition
- An assortment of ACFE fraud casebooks
- Selected ACFE self-study courses
- An assortment of ACFE merchandise

The ACFE thanks you for helping it continue to make the *Report to the Nations* an invaluable resource for anti-fraud professionals worldwide.

If you have any questions about the survey, please contact Andi McNeal at (800) 245- 3321 or rtn@acfe.com.

Chapter Registers as Supporter of the ACFE's International Fraud Awareness Week—November 3-9, 2013

The Pacific Northwest Chapter/ACFE has again registered as a supporter of the ACFE's International Fraud Awareness Week activities during the period November 3-9, 2013.

Organizations around the world lose an estimated five percent of their annual revenues to fraud annually, according to the ACFE 2012 *Report to the Nations on Occupational Fraud And Abuse*,

This program will help to cast a spotlight on this urgent problem. This week-long campaign encourages business leaders and employees to proactively take steps to minimize the impact of fraud by promoting anti-fraud awareness and education activities.

Individuals and organizations may join the discussion through the ACFE Insights blog. Contact the ACFE's media relations specialist for additional

information.

Our Chapter has been speaking to university students in our geographic area about being trained in the detection and prevention of fraud.

The Chapter Board of Officers hopes there will be additional future activities as well.

Start Planning for the 25th Annual Fraud Conference and Exhibition

Join more than 2,300 anti-fraud professionals at the 25th Annual Fraud Conference in San Antonio, TX June 15 -20, 2014.

Registration for the June 2013 conference sold out with 2,600, the largest number in attendance ever!

Location:
Henry B. Gonzalez Convention Center

200 East Market Street
San Antonio, TX 78205
(877) 504-8895

Individual Registration:
Register online or contact the ACFE at
(800) 245-3321.

Group/Team Registration:
Contact the ACFE at (512) 478-9000 or

[e-mail groupregistration@acfe.com](mailto:groupregistration@acfe.com) for registration information, including group pricing that is available for teams of 3 or more from the same organization.

The Pacific Northwest Chapter/ACFE will again participate in team registrations.

Volunteer Opportunity — Fraud Victims Pilot Project

The Board of Officers sent out an announcement via e-mail to the Chapter membership regarding this project for Spring 2013. This project will resume again at the University of Washington effective Spring 2014.

The Fraud Victims Pilot Project is comprised of the King County Prosecuting Attorney's Office (Economic Crimes Unit), three local police departments (Seattle, Bellevue and Kirkland), the University of Washington Accounting Instructors and the Pacific Northwest Chapter/ACFE. The Chapter's role is limited to help advertise the project and provide advice regarding the project itself. The Chapter Membership as a whole and the Board of Officers will not be playing a direct or indirect role in specific fraud investigations selected for this Project.

The project provides an opportunity for students attending the UW Forensic Accounting class who are interested in using their accounting skills to help fraud victims obtain some measure of justice.

The volunteering CFE would work directly with the instructor to mentor the students and monitor the fraud case they are working on. The most recent class ran from April 2 through June 11, 2013.

Key considerations:

1. CFEs must be members of the Pacific Northwest Chapter/ACFE and participation must be approved in advance by the Board of Officers.

2. Volunteering CFEs should be licensed and have insurance. Therefore, it is more likely that CFE's that own their own practice would be the best fit for this program simply because typically an organization's insurance policies do not extend to employees working on projects outside of their respective employer. If something goes wrong and there is a not-guilty verdict at trial (or a withdrawal/dismissal of charges), there is potential legal and personal liability for CFEs who participated in the project, as well as others.

3. There is no background check requirement for the volunteering CFEs or the students.

4. The three police departments and/or the King County prosecutor will coordinate their efforts to find a rather simple fraud case to be used by the students.

5. The original source documents in the case will remain at the police department which advanced the case to be used. Copies of the documents will be forwarded to the UW instructor and will be kept in a secure location for use by the students and the CFEs. The King County

Prosecutor will serve as the contact on this effort.

6. The instructor and the volunteering CFEs will be the mentors for the students on the fraud case and will provide oversight and review the work performed by the students. CFEs may contact the victim if additional information is needed, but students will not contact the victim directly. Students will not interview any suspect(s); rather, interviews will be conducted by police detectives and/or CFEs if needed.

7. If the students do not complete their work and issue a draft report to the CFE's before the class has been completed, it will be up to the CFEs to complete the work and issue the final report to the King County Prosecutor (procedures to be defined later).

Please contact President Robert Goehring (President@fraud-examiners.org) if you have any questions or are interested in participating.

The committee on this project will be meeting to discuss the projects future, including how long the case study should be (one or two quarters). Chapter membership will be notified regarding important developments likely through future Chapter newsletters.

Professional Attitude Survey

Gerald Smith, Professor of Accounting and Joel Pike, Assistant Professor of Accounting (both at the University of Northern Iowa) have requested permission to survey the Pacific Northwest Chapter/ACFE Membership on the topic of CPE's Professional Skepticism/Attitudes. There are no "correct" or "incorrect" responses to the items on this questionnaire; rather the

objective is just your reaction to each item. Completing these thirty items and the accompanying demographic information takes about ten minutes. The responses are anonymous and only aggregate results will be reported; no individual responses will be shared. The goal is to obtain as many completed questionnaires from the Seattle - Pacific Northwest Chapter membership as

possible. To complete the questionnaire, go to <http://tinyurl.com/Seattle-Pac-NW-ACFE-Survey> and simply answer the questions on-line. Your help with this research will be appreciated.

Note: The University of Northern Iowa's survey is on a volunteer basis. The survey is not sponsored or required by the Pacific Northwest Chapter of the ACFE.

Final Reminder Regarding The 2013 Chapter Incentive Program Award

The Board of Officers is pleased to announce to Associate Members (and those planning on becoming Associate Members) the 2013 Chapter Incentive Program award.

Each calendar year (January 1 through December 31) the Board of Officers recognizes one Associate Member who becomes a Certified Fraud Examiner during that year and meets other requirements, by granting him/her an award of not more than \$500 to help defray the costs of obtaining the CFE professional credential.

See the Chapter website (http://www.fraud-examiners.org/PNW_Chapter_Incentive_Award.shtml) for specific information concerning eligibility and the selection process.

Key items (Not All-Inclusive):

- Deadline for fulfilling all of the requirements—December 31, 2013
- Applicant must be an Associate Member of the Chapter and provide written notice of intent to the Board to apply for this award
- Applicant must pass the CFE

Examination and obtain the CFE Credential in 2013

- Applicant must attend at least two of the Chapter's Bi-Monthly Fraud Training Seminars
- Applicant must incur eligible expenses that are not reimbursed by his/her employer or other party

The winner will be determined through drawing if more than one person meets the eligibility requirements. The winner will be announced at the February 2014 Chapter Fraud Seminar.

ACFE on Social Media

Social media consists of social networks like LinkedIn, Facebook, Twitter and blogs. A network is a place for a business or individual to market themselves, network, begin and join discussions, follow interests, get the latest news and socialize.

LinkedIn

Connect and network with professionals all over the world. Update your status with news and links. Recommend connections for professional positions and participate in industry group discussions. Join the ACFE Group—<http://www.linkedin.com/groups?mostPopular=&gid=66889>

Facebook

"Become a friend" of an individual or "like" businesses and groups. Update your status with news, links, photos, videos, polls and more. Like the ACFE—<http://www.linkedin.com/groups?mostPopular=&gid=66889>

Twitter

Network and communicate with others through real-time posts called "tweets." Follow others that share the same interests as you and receive news as it is happening. Follow the ACFE—<http://twitter.com/TheACFE>

YouTube

Watch the latest videos to get a behind-the-scenes look at ACFE events, conferences, seminars and more. Find

the ACFE—<http://www.youtube.com/user/TheACFE>

Discussion Forums (ACFE members only)

Network and discuss fraud-related topics with fellow ACFE members. Engage with members—<http://www.acfe.com/login.asp?redirect=../community/forums.asp>

ACFE Insights Blog

News, analysis and commentary on the global fight against fraud. Find ACFE Insights—<http://www.acfeinsights.com/>

Fraud Info Blog

Get the latest fraud news as it happens. Find FraudInfo—<http://fraudinfo.com/>

Free ACFE CPE with Members Only Webinars

For dues paying ACFE members the ACFE offers free training. The webinars are typically 60 minutes in length and are equal to 1 credit hour of ACFE approved CPE credits.

Archived webinars will be available for 12 months from the date of the live event. More information can be found

at <http://memberwebinars.acfe.com>.

- Recent Archived Webinars include:
- Lehman's Collapse - Repo 105/108 Transactions: The Anatomy of Accounting Deception
- Bring Your Own Device: Keeping Your Investigation from Becoming

DOA

- Proactive Strategies for Developing and Managing Compliance Programs
- Predictive Analytics to Prioritize Investigations and Audits of Contract Fraud, Waste and Abuse
- Fraud Related Interviewing

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 Robert Goehring at
President@fraud-examiners.org



Other ACFE Fraud Training Opportunities

- Principles of Fraud Investigation, Dec 9-12, 2013, Austin, TX
- Building Your Fraud Examination Practice, Dec 11, 2013, Las Vegas, NV
- Controlling the Risk of Asset Misappropriation, Dec 12-13, 2013, Las Vegas, NV
- Contract & Procurement Fraud, Dec 16-17, 2013, San Diego, CA
- Fraud Risk Management, Jan 16-17, 2014, Mumbai, India
- Bribery and Corruption, Jan 20-21, 2014, Hong Kong
- CFE Exam Review Course, Jan 27-30, 2014, Miami, FL
- Effective Report Writing for Fraud Examiners, Jan 29, 2014, Phoenix (Scottsdale), AZ
- Uncovering Fraud with Financial and Ratio Analysis, Jan 30-31, 2014, Phoenix (Scottsdale, AZ)
- Conducting Internal Investigations, Feb 3-4, 2014, New Orleans, LA
- Conducting Internal Investigations, Feb 13-14, 2014, Auckland, New Zealand
- Professional Interviewing Skills, Feb 17-18, 2014, Sydney, Australia

The ACFE contact point for all course offerings is Caitlin Perdue, Event 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

- Joint Annual Fraud Conference, Pacific NW Chapter and WSCPA (December 6, 2013)

To Receive the discounted registration fee for our Chapter's Annual Fraud Conference, contact the WSCPA's Education Operations Manager, Miki McLean, 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 & Training Director

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