

The Fraud Examiner



Pacific Northwest Chapter

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September/October 2014 Issue

Message from the President

Pacific Northwest Chapter/ACFE Fraud Seminars

Traditionally, the Chapter has held its Fraud Seminars at the Seattle Training Facility the second Wednesday of February, April, and August, and co-sponsored the Annual Fraud Conference with the WSCPA in December. However, the Chapter will hold a special Fraud Seminar in Seattle on December 3, 2014, in lieu of the joint WSCPA Fraud Conference, and will hold its first Annual Fraud Conference on May 8, 2015. As a result, the Chapter Fraud Seminars in Seattle during 2015 will be held in February, August, and December (none in April), with the Annual Business Meeting being held in June in Tukwila.

2014 Chapter Incentive Program Award

As of September 1, 2014, the Board of Officers had not received any applications for this award. See also page 10. The program provides \$500 annually to one Associate Member who becomes a Certified Fraud Examiner during the year and meets the other requirements of the program. I encourage eligible associate members, or those wishing to become associate members, to contact me as soon as possible about applying for this award.

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) In June 2014 the ACFE produced a DVD entitled, "Understanding Employee Embezzlement Fraud In The Workplace—A Compilation of Writings for the Association of Certified Fraud Examiners (1996—2014)". This DVD is a compilation of all of the writings by President Emeritus Joe Dervaes, CFE, ACFE Fellow, CIA for the ACFE that were published in *Fraud Magazine*. It is in essence a reference document on employee embezzlement fraud based upon his experience

managing the statewide Fraud Program for the Washington State Auditor's Office for two decades (1986 - 2006). If the type of fraud happened in government with any regularity, it's included in this document. It also serves as a fraud manual that fraud examiners and auditors can use as a reference document. Unfortunately, this DVD is no longer available from the ACFE. However, any Chapter Member who wants a free copy of the information in electronic form can contact Joe Dervaes directly (joeandpeggydervaes@centurytel.net) to request it. He has also placed a copy of the DVD in the CFE Chapter Library.

(2) In May 2014 Chapter Member Andrew McIntosh, CFE, Investigative Desk Editor with QMI Agency—Quebecor Media, was awarded a prestigious Canadian Association of Journalists Award for outstanding investigative data-journalism. He received the CAJ Award at a gala dinner during the national group's annual conference in Vancouver, BC for an investigation he oversaw and co-wrote about welfare fraud in Montreal last year. The three day series on welfare fraud shocked the entire Canadian province and led to the hiring of 10 new welfare fraud investigators by the Quebec

(Continued on page 2)

Upcoming Training

Type:
Joint Chapter/ACFE
Annual Fraud Class

Date:
October 23-24, 2014

Time:
8:00 a.m.-4:25 p.m.
(registration daily at 7:30 a.m.)

Topic:
Fraud Risk Assessment

Course Leader:
Janet M. McHard, CFE,
CPA, President McHard
Accounting Consulting,
LLC

Where:
Hilton Seattle Airport &
Conference Center,
17620 International Blvd.
(near SeaTac Interna-
tional Airport), SeaTac,
WA

Price:
\$795 for ACFE Members
and \$945 for non-
Members
Additional \$95 discount
for early registration
(deadline—September
23, 2014)

Registration:
Register directly with the
ACFE at
www.ACFE.com or 1-
800-245-3321. Pre-
registration is required
for this event .

Chapter Members in the News—Continued

(Continued from page 1)

government earlier this year. Using provincial data, his investigation revealed a staggering fraud problem in Quebec's welfare system: 36,000 fraud cases since 2004 with unrecovered losses

exceeding \$500 million sitting on the government's books. Andrew (a dual U.S.—Canadian citizen) lives in Greater Seattle and is the Investigations Editor for Canadian media giant Quebecor, Inc., which owns 30 daily newspapers and two TV networks in Canada.

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.

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:

- Virtual Identity in the Digital Economy
- Maximizing Investigative ROI

- Global Financial Crime Networks Create New Crime Paradigm
- Detecting and Preventing Procurement Fraud
- Holistic Strategies to Address Cyber Intelligence and Fraud

Joint Chapter/ACFE Fraud Class October 23-24, 2014—Hilton Seattle Airport & Conference Center—SeaTac, WA

October 23-24, 2014, are the dates of our joint Chapter and ACFE Annual Fraud Training Class. This event will be held at the Hilton Seattle Airport, 17620 International Blvd., SeaTac, WA. Registration begins at 7:30 a.m. each day.

The class is entitled, "Fraud Risk Assessment". The ACFE course leader is Janet M. McHard, CFE, CPA, President McHard Accounting Consulting, LLC.

There are 16 hours of Continuing Professional Education available to all who attend this class.

The class will explain how

organizations can integrate anti-fraud initiatives into their risk management programs to:

- Develop a system of internal controls to address the entity's fraud risks
- Identify, assess and manage fraud risks from all sources
- Support fraud risk management initiatives by establishing an anti-fraud culture and promoting fraud awareness throughout the organization
- Address and respond to any instances of fraud

Registration for this fraud class is directly with the ACFE. To register, contact the ACFE at

(800) 245-3321, or at www.ACFE.com.

The cost of this class is \$795 for ACFE Members and \$945 for non-members. There is a \$95 discount for early registration (deadline—September 23, 2014).

Contact the ACFE for registration procedures. Pre-registration for this class is required.

Parking is available at the hotel at a discounted rate.

Learn more about the speaker on page 3.

Speaker for Joint Chapter/ACFE Fraud Class



Janet M. McHard, CFE, CPA
President
McHard Accounting Consulting,
LLC

Janet M. McHard is the President of McHard Accounting Consulting, LLC, a firm specializing in forensic accounting, fraud prevention, and accounting reconstruction. Ms. McHard is a Certified Fraud Examiner (CFE), a certification bestowed upon examination by the Association of Certified Fraud Examiners (ACFE). She holds a CPA in the

State of New Mexico. She is also certified by the National Association of Certified Valuation Analysts (NACVA) as a Master Analyst in Financial Forensics (MAFF). She is certified in Financial Forensics by the American Institute of Certified Public Accountants, a designation awarded based upon education and experience.

Ms. McHard has received special training in fraud prevention and investigation from the ACFE, the National Association of Certified Valuation Analysts and through the University of New Mexico's Financial Investigators Certificate Program. Ms. McHard provides assistance, including expert testimony, in the areas of fraud and forensic accounting. She also has experience in database management and class action administration. She has advanced knowledge in MS Access, Excel, and Word.

Previously, she was a senior manager at the regional full-

service accounting firm Meyners + Company, located in Albuquerque, NM. She was also staff accountant and litigation support specialist with an international accounting and consulting firm. Her background also includes work as a legal secretary and administrative assistant for a law firm and business manager for a medical office.

Janet M. McHard holds a Bachelor of Arts from the University of New Mexico as well as an M.B.A from the University of New Mexico's Robert O. Anderson Graduate School of Management. She is a member of the National Board of Advisors and past president of the Board of Directors of Keshet Dance Company. She was previously a board member of the Albuquerque Softball/Baseball Hall of Fame and has volunteered her time with the American Softball Association and the New Mexico United States Specialty Sports Association. She is a member of

New Chapter Members

Please welcome the new members who joined the Chapter during the period mid-June 2014 through mid-August 2014:

CFEs:

- Nancy L. Brown

Associate Members:

- Brandy L. Hagan

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.

Overview of the Chapter Fraud Seminar in Seattle— December 3, 2014

December 3, 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 topic of this fraud seminar is: "U.S. Postal Inspectors Role in Fighting Financial Fraud."

The speaker for this event will be Jeremy Leder, federal agent with the U.S. Postal Service in Seattle, WA. Jeremy is a sworn federal law enforcement agent who investigates federal fraud cases involving consumer and corporate fraud in Western Washington.

Jeremy has been a Postal Inspector since 2006. Prior to that he was an intelligence analyst in Chicago, IL with the Inspection Service, where he worked full time on a financial crimes task force. Currently Jeremy works closely with the U.S. Attorney's Office and other federal agencies to prosecute cases involving investment fraud, embezzlement, lottery fraud, mail fraud, and money laundering.

This session will examine the history of the United States Postal Inspection Service, and how it became our Nation's first federal law enforcement agency. Jeremy will review notable mail fraud

investigations worked by Postal Inspectors, as well as current case reviews out of the Puget Sound area. Information will be presented on how the mail fraud statute is used in today's financial investigations, even when our culture is shifting towards digital correspondence. Jeremy will provide information on how Postal Inspectors are fighting foreign lottery fraud from West Africa and Jamaica, and give information on how these foreign fraudsters move money. Lastly, this session will provide an overview of current money laundering techniques used by narcotics traffickers, and how the U.S. Mail is used.

**-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 August 13, 2014, Chapter Fraud Seminar in Seattle— Conducting A Comprehensive Interview Utilizing The “LOW” Technique

August 13, 2014, was the date of our most recent Chapter fraud training seminar at 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 attended this event at no cost.

Preregistration for this event was not required. Attendees registered and paid at the door.

There were **12** Chapter Members and **6** non-Chapter Members that attended this event.

The speaker was Kenneth J. Wilson, CFE, CSAR, owner of Wilson Investigative Services, Olympia, WA where he specializes in fraud, embezzlement, money laundering, RICO, ethics, Title VII of the Civil Rights Act investigations, and expert witness testimony. Kenneth is also a member of the Pacific Northwest Chapter/ACFE.

The topic of this fraud seminar was “Conducting a Comprehensive Interview Utilizing the “LOW” [Listen-Observe-Write] Technique.” This training also included a short case study related to a small local government located in eastern Washington.

Ken did an excellent job of presenting

the elements and applications of the LOW interview technique and effectively linked it to actual experience. His case study provided an in-depth look into the application of this technique.

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

Chapter members and others wishing to speak at Chapter training events are encouraged to contact Chapter President Robert Goehring, CFE, CPA (president@fraud-examiners.org).

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” for the state of Washington in 2014:

- September 23-26, 2014, Bellevue, WA (Bellevue City Hall T 450, 110th Ave NE Police Training Room 32109)
- December 2-5, 2014, Seattle, WA (Holiday Inn-Seattle, 211 Dexter Avenue North)

The seminar fees are as follows:

- 1-Day Advanced (\$240)

- 3-Day Seminar (\$450)
- 4-Day Combined (\$580)

These are the RPGA Discount Rates.

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

Call 1-800-255-5747, Ext. 14 or 24 to register for any of these classes, or visit their website at www.reid.com.

Learn how to assess the credibility of statements; how to structure the flow of 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 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.

If you lose your integrity, you will also lose your identity, your sensitivity and your dignity. Integrity is honesty, modesty and security in all kinds of weather. It should be our priority.

-Israelmore Ayivor

The Tidbit: Scam Alerts— (1) Passage Of Zapper Bill Is Bad News For Cash Skimmers; and (2) Scam Alert—Simple Steps To Secure Your Personal Information—12 Ways To Foil ID Thieves

Scam No. 1. This information was paraphrased from an April 19, 2013, article in The Olympian, Olympia, WA by Mike Gowrylow.

Passage Of Zapper Bill Is Bad News For Cash Skimmers.

Bad news for tax cheats. The Washington State Department of Revenue reports that the Legislature has passed a new law targeting retailers who use illegal “zapper” software to erase cash sales from cash registers. It is now a class “C” felony to commit tax fraud using automated sales suppression software, commonly known as “zappers”. Persons convicted of selling, installing, or designing zappers will be subject to an additional mandatory fine that is the greater of \$10,000 or the amount of tax that the retailer didn’t pay. The new law also gives the DOR the authority to revoke the business licenses of any business using such devices and not reinstate a business unless it agrees to five years of electronic monitoring.

Zapper use has spread across the U.S. and Canada. DOR says zappers simply have no legitimate use. It alters cash transactions from electronic cash registers and point of sale systems so that the reduced sales can’t be tracked later using traditional audit methods. Businesses using zapper software typically have been restaurants and other small businesses that are

predominately paid in cash. They collect sales tax from customers, but keep it rather than remitting it to the state. DOR says the legislation raises the stakes for businesses that keep sales tax they collect from customers and understate their gross income so they pay less business and occupation tax.

Thirteen other states have passed similar legislation targeted at sales suppression software.

Scam No. 2. This information was Paraphrased from the May 2013 issue of AARP Bulletin by Sid Kirchheimer.

Scam Alert. Simple Steps To Secure Your Personal Information. 12 Ways To Foil ID Thieves.

In 2012, as many as 16 million households fell victim to identity theft. Reduce your risk of joining them with these simple, free steps.

1. Get off mailing lists for pre-approved credit card offers by visiting “www.optoutprescreen.com” or by calling 1-888-567-8688. Stop other junk mail at “dmachoice.org” (mailed requests costs \$1).
2. Enroll for free alerts from your bank and credit card issuers to flag unusual activity on your accounts.
3. Ask your credit card providers to issue you new “smart cards” with safer EMV (Europay, MasterCard and

Visa) chip technology. If not available, request replacement plastic with your photograph.

4. To safeguard personal data on your electronic devices, use a smart phone password that isn’t 1234, 0000, 2580, 1111, or 5555 – some of the most easily hacked passwords. Set your smart phone on auto-lock. Make computer passwords at least 12 characters long. Use uppercase and lowercase letters, numbers, and symbols such as # and %. Use different passwords on different accounts and change them every few months.

5. Access the free credit report you’re entitled to three times a year at “www.annualcreditreport.com”. You can obtain one free credit report from each of the credit reporting bureaus (i.e.; Experian, Equifax, and TransUnion) each year.

6. If you don’t plan to apply for new credit, loans, insurance, or utility services, freeze your report so crooks can’t get new accounts in your name. Rules may vary by state, but the \$5 to \$20 fees are often waived if you are 65 or older or provide proof of past identity theft. Type “security freeze” at the web-sites of Experian, Equifax, and TransUnion for instructions. A fraud alert is always free, but it is not as effective.

7. Mail outgoing check payments at a U.S. Postal

(Continued on page 6)

Scam Alert

Summaries:

(1)

“DOR says zappers simply have no legitimate use.”

(2)

“For successful scammers and thieves, every day is April Fool’s Day.”

The Tidbit—Continued

(Continued from page 5)

Service mailbox or inside the post office, not from your more vulnerable home mailbox.

8. Shred unneeded documents that contain personal information.

9. Ask if your Internet provider offers free antivirus software. Set it for automatic security updates and a weekly full scan.

10. Never click on links in e-mails from strangers or those purporting to be from a government agency or your bank warning of a “problem”. The likely result is that identity-stealing malware will be installed on your computer.

11. Carry your Medicare card – its number is the same as your Social Security number – only for planned doctor or hospital visits. You’ll get emergency medical treatment without it, but if you’re worried, carry a photocopy with several digits cut out. Carry your

Social Security card only for visits to Social Security offices.

12. Never provide personal information such as your Social Security number or any other financial account information to anyone unless you initiate the contact.

Fraud Law—September 2014—By John J. Tollefsen, CFE, JD, LLM, CCS

Overview of Whistleblower Protection under Dodd-Frank and SOx

(continued from Jul/Aug 2014 newsletter)

Overview of SOx § 806

President Bush signed SOx into law in 2002 after the country was enraged by large financial scandals like Enron and WorldCom. SOx was intended to restore investor confidence in the nation’s financial markets by increasing management responsibility and reducing fraud through changes in corporate governance and accounting practices.

Whistleblowing was seen as essential for bringing the scandals to light. Increased whistleblower protection was provided to employees who report corporate fraud and certain enumerated violations of law. Protection was limited to employees of publicly traded companies excluding government employees, contractors of public companies among others. SOx § 806 (a) (1) protected efforts of whistleblowers:

to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the

employee reasonably believes constitutes a violation of section 1341 [mail fraud], 1343 [wire fraud], 1344 [bank fraud], or 1348 [securities fraud], any rule or regulation of the Securities and Exchange Commission, or any provision of Federal law relating to fraud against shareholders, when the information or assistance is provided to or the investigation is conducted by

SOx § 806 provides six categories of protected activity 1) mail fraud; 2) wire fraud; 3) bank fraud; 4) securities fraud; 5) “any rule or regulation of the Securities and Exchange Commission”; and, 6) any provision of Federal law relating to fraud against shareholders (the “catchall” provision).

SOx § 806(6) has become a minefield for whistleblowers because claimants have been poorly prepared to point out the type of fraud they identified and therefore their cases have been decided under the “catchall” provision of the sixth category SOx § 806 (6). Unfriendly courts then required whistleblowers to prove reasonable belief of all the elements of securities fraud including scienter (intent).

Enforcement of SOx’s civil whistleblower protection provision is initially the exclusive jurisdiction of the Secretary of the Department of Labor (“DOL”). If the Secretary has not issued a final decision within 180 days of the filing of a complaint, and there has been no showing that the delay was due to the bad faith of the claimant, the claimant may bring a de novo action in federal district court. If the claimant stays in the DOL system, an administrative decision is given by an administrative law judge (“ALJ”) after a trial. Initial appeals are heard by the Department of Labor Administrative Review Board (“ARB”) in Washington, D.C. The United States Courts of Appeals have jurisdiction to review ARB final decisions.

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 for more information regarding fraud law. The complete version of this article will be posted at <http://tollefsenlaw.com>

John Tollefsen is also the Chapter Training Director, member of the Chapter’s Website and Newsletter Committee and the

May 8, 2015—Pacific Northwest Chapter/ACFE Annual Fraud Conference—Tacoma, WA

Friday, May 8, 2015 is the date our Chapter first Annual Fraud Conference. Registration begins at 7:30 a.m. and a continental breakfast will be provided. The conference begins at 7:30 a.m. and ends at 4:30 p.m. Lunch will be provided from noon to 12:30 p.m.

The conference will be held at the La Quinta Inn & Suites (1425 East 27th Street), Tacoma, WA. There is no charge for parking at the hotel.

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

The Conference Coordinator is Chapter Board Member-at-Large Pete Miller, CFE, CPA. Pete Miller and Chapter President Robert Goehring, CFE, CPA will serve as Conference Co-Chairs.

Effective November 1, 2014, participants will be able to register online through the Chapter website (www.fraud-examiners.org).

The cost of this event is \$125 for participants that register and pay on or before April 30, 2015, and \$150 after that date. Chapter members will receive a \$25 early bird discount from these rates. Chapter members must be current on their Chapter dues to be eligible for this discount. Lunch will be provided.

Pre-registration for this fraud conference is required. However, a limited number of same day registrations will be available for an additional \$25 fee (total regular fee \$175 non-members, \$150 members).

Participants that cancel in writing on or after April 15, 2015, will be given the option of transferring their registration to another person, or applying their registration fee to the 2016 Annual Fraud Conference. No refunds or credit will be given for “no shows”.

The speakers and topics for this conference will be announced on the Chapter website and through the Chapter newsletter as this information become available. **This conference will include training that meets the ACFE annual 2-hour Ethics training requirement for Certified Fraud Examiners.**

Start Planning for the ACFE 26th Annual Global Fraud Conference and Exhibition—June 14-19, 2015—Baltimore, MD

Join nearly 3,000 anti-fraud professionals at the 26th Annual Fraud Conference in Baltimore, MD June 14-19, 2015.

Location:
Baltimore Convention Center
One West Pratt Street
Baltimore, MD 21201
(410) 649-7008

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 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.

There were six members of the Pacific Northwest Chapter/ACFE that attended the June 2014 event as part of the ACFE Team Registration process and received at least a \$100 registration discount.

Members must register through the Chapter in order to participate in the Chapter Team Registration Process.

Expected Team Registration Process:

1. Complete the ACFE Supplemental *Attendee Form* (http://www.fraudconference.com/uploadedFiles/Fraud_Conference/25th/content/registration/25th-annual-reg-form-groups-supplemental.pdf) and send it via e-mail to [\[examiners.org\]\(http://www.fraud-examiners.org\). Do not send payment at this time! You will be billed by the ACFE. Clearly indicate whether you will be attending the Full Conference or the Main Conference.](mailto:President@fraud-

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2. Chapter President Robert Goehring will complete the ACFE *Group Registration Form* and will provide to the ACFE with the related individual Supplemental Attendee Forms in late March/early April 2015.
3. After registration, each member will be responsible for making their own hotel reservations and signing up for their break-out sections at the Conference.
4. Chapter President Robert Goehring will notify all participating members via e-mail regarding the final count and pricing.

Volunteer Opportunity — UW Fraud Victims Pilot Project

The Fraud Victims Pilot Project provides an opportunity for students attending an 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 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 helping advertise the project and providing 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.

A class is offered in the Fall at the University of Washington (Bothell Campus). Students will be registering for the Fall 2014 class at the end of August 2014. A minimum of eight students is needed for a formal UWV class. If a sufficient number of students do not register for this class, then it will be offered as an independent study class.

The next proposed class will run for 10 weeks beginning on September 27, 2014, and ending on December 6, 2014. It will meet once a week on Saturdays for three hours (9:30 a.m.—12:30 p.m.) during this time at the UW's Eastside Leadership Center in Bellevue (140 Park Street). Parking is free at this location.

The King County Prosecuting Attorney's Office has identified at least one elder care fraud case to be used by the students. It is in its final stages now and charges are expected to be filed in September 2014. Due to Washington's speedy trial requirements, a trial is expected within 90 days after charging occurs in the case. But, the actual trial

dates in fraud cases vary and may occur 6-12 months after charging, depending upon the circumstances. If only one case is ready for the students, then it is likely that at least two groups of students will work on the same case, with the CFEs working in pairs to mentor them. There may also be a second fraud case ready for the students to use. If so, the CFEs will work in pairs to mentor the students on these separate cases.

Five Chapter Members have volunteered for the Fall program: President Emeritus Joe Dervaes, Training Director John Tollefsen, Elizabeth Larson, Rick Osborn, and Mike Nurse.

Two key concerns raised by prospective volunteers in the past have been resolved:

- Insurance. Volunteers will be covered for insurance liability while working on this project by completing a King County volunteer form and being fingerprinted at King County.
- Private Investigator License. The CFEs will not interview any suspects in the case the students will be working on. Any interviews would be conducted by either the King County Prosecuting Attorney's Office and/or the appropriate law enforcement agency responsible for bringing the fraud case to the class for action. So no private investigator license is required for any CFE volunteering on this project.

Key considerations:

1. CFEs must be members of the Pacific Northwest Chapter/ACFE and participation must be approved by the Board of Officers.
2. Everyone participating in the Project must complete a background check.

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

4. 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 UWV instructor and will be kept in a secure location for use by the students and the CFEs. The King County Prosecuting Attorney's Office will serve as the contact on this effort.

5. 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. Interviews will be conducted by police detectives and/or the prosecutor if needed.

6. During the period of the fraud class, students will be expected to meet with the CFE volunteers once per week for 3 hours when it is convenient for the CFE. This could be during the actual fraud class, or in the evenings or on weekends. The meetings could be at the Bothell campus or the Bellevue campus, the King County Prosecuting Attorney's Office, or the CFE's office.

7. If the students do not complete their work or issue a draft report 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 Emeritus Joe Dervaes, CFE, ACFE Fellow, CIA if you have any questions or are interested in participating. Chapter membership will be notified regarding important developments through future Chapter newsletters and e-mail.

Benefits of Chapter Membership and Serving on the Board of Officers

At our February 12, 2014, bi-monthly fraud seminar, Chapter Vice-President Julie Armbrust gave a presentation entitled, "PNW ACFE Chapter Benefits and Responsibilities."

The Board recognizes that the Chapter membership is fully aware of the non-financial benefits of being a Chapter Member and serving the Chapter in various capacities including serving on the Board of Officers, serving on the various Chapter committees and speaking at Chapter training events and other venues. However, did you know

that there are very real financial benefits?

Membership:

- \$5 discount on Chapter Fraud Seminars
- Free lunch at the June Chapter Training/Business Meeting
- Free lunch (1 day only) at ACFE October training
- As an Associate Member, the opportunity to apply for the Chapter CFE Incentive Program Award (up to \$500)

Board of Officers:

- Free registration for 3 Board Members for the Joint Chapter/ACFE October training class (\$695/each)
- Up to \$500 for one member for attendance at ACFE Annual Conference as the Chapter Representative.
- Free registration for the Chair and Co-Chair of the Chapter's Annual Fraud Conference. The next one is in May 2015.

2014 Chapter Incentive Award Program

The Board of Officers is pleased to announce to Associate Members (and those planning on becoming Associate Members) the 2014 Chapter Incentive Award Program.

Each calendar year 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 \$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—Dec 31, 2014
- 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 2014

- Applicant must attend at least two of the Chapter's Fraud Training events
- 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 2015 Chapter Fraud Seminar.

Unfortunately, there were no applicants for the 2013 Chapter Incentive Program Award.

2015-2016 Chapter Student Scholarship Program

There are two annual scholarship programs available to full-time university students seeking a major or minor in accounting, business administration, finance, or criminal justice programs in the Pacific Northwest. They are the ACFE Foundation's Ritchie-Jennings Memorial Scholarship Program, and the Pacific Northwest Chapter/ACFE Student Scholarship Program.

The Chapter scholarship program is a \$1,000 award (increased from \$500) to

eligible students attending a qualifying college or university in the state of Washington. Winners of an ACFE Foundation scholarship are not eligible to receive a Chapter award for the same academic year.

Students interested in applying for the 2015-2016 Scholarship programs are encouraged to visit the Chapter website (www.fraud-examiners.org) or contact any Chapter Board Officer to learn more

about these programs. The application deadline will be early February 2015.

There were no eligible applicants for the Chapter award for the current and previous academic year. The Chapter's Community/University Outreach Committee will continue its extensive efforts in advertising these programs to area colleges and universities. The Board of Officers also implemented several new initiatives to advertise these programs.

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

- CFE Exam Review Course, Washington, D.C., 9/22/2014 - 9/25/2014
- Effective Report Writing for Fraud Examiners, Las Vegas, NV, 9/24/2014
- Money Laundering Schemes, Las Vegas, NV, 9/25/14 - 9/26/2014
- CFE Exam Review Course, Santiago, Chile, 9/30/2014 - 10/3/2014
- Detecting Fraud Through Vendor Audits, Boston, MA, 10/1/14
- Interviewing Techniques for Auditors, Boston, MA, 10/2/2014 - 10/3/2014
- Investigating on the Internet, Washington, D.C., 10/2/2014 - 10/3/2014
- 7th Annual ACFE Africa Conference & Exhibition, Johannesburg, South Africa, 10/6/2014 - 10/8/2014
- CFE Examine Review Course, Bahrain, 10/19/2014 - 10/23/2014
- Fraud Risk Management, SeaTac, Washington, 10/23/2014 - 10/24/2014 *
- CFE Exam Review Course, Nashville, TN, 10/27/2014 - 10/30/2014

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.

* See pages 2 and 3 of this Newsletter for more information.

Other ACFE Chapter Annual Fraud Conferences

- Annual Fraud Conference, Pacific Northwest Chapter (May 8, 2015—Tacoma, WA)
- Annual Fraud Conference, Spokane, WA Chapter (to be announced)
- Annual Training Conference, Portland, OR Chapter (to be announced)
- Anti-Fraud Training, Vancouver Chapter/Justice Institute of BC (to be announced)

The Chapter Board of Officers & Training Director

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