

# The Fraud Examiner



Pacific Northwest Chapter

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**September/October 2015 Issue**

## Message from the President

Pacific Northwest Chapter/ACFE Annual Fraud Conference

Mark your calendars! I'm pleased to announce that the Chapter will conduct its Annual Fraud Conference in Tacoma on May 2, 2016! There will be 8 hours of CPE, including 2 hours of ACFE Ethics training, available for all those that attend this event. Registration fees will be \$150 for registration and payment received on or before April 11, 2016, \$175 between April 12, 2016, and April 25, 2016, and \$200 after April 25, 2016. Chapter members will receive a \$50 discount from these rates. The Board of Officers will notify the Membership of more information including speakers, topics and registration procedures as it becomes available. See also page 8 for more information.

2015 Chapter Incentive Program Award

As of September 1, 2015, the Board of Officers had only received one application for this award. See also page 9. 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.

Chapter Elections

The election for Chapter Board of Officers for the two-year term ending June 30, 2018, will be held at our June 8, 2016, annual luncheon business meeting. At its February 10, 2016, meeting, the Board of Officers will select a slate of candidates for consideration by the Membership. Candidates must be CFEs and must be active in the Chapter through regular attendance at Chapter Training events and other areas of service to the Membership. There are many benefits to serving on the Board of Officers, the most important being service to the Chapter and the ACFE in our common fight against fraud. See also page 9 for educational and financial benefits.

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 and other Chapter activities as follows:  
(1) In July 2015 the Board of Officers selected Chapter Member Mike Nurse, CFE, CPA, CGMA, Manager, Accounting and Consulting Services at Clark

Nuber, PS to serve as the Chapter Pro Bono Consultant. He has over ten years of proven outstanding client service, and has held positions in both the private and public accounting industries. Mike will perform procedures as prescribed by the Board of Officers plus as he otherwise deems necessary on a

bi-annual fiscal year basis revolving around the financial operations of the Chapter. This is not an audit. Mike is both a CFE and CPA, is a supporter of the Chapter's fraud training mission by regularly attending our fraud training events, and is an ACFE and Chapter Member

*(Continued on page 2)*

## Upcoming Training

### Type:

Joint Chapter/ACFE  
Annual Fraud Class

### Date:

October 19-20, 2015

### Time:

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

### Topic:

Controlling the Risk of  
Asset Misappropriation

### Course Leader:

Allen F. Brown, CFE,  
CPA, Former Assistant  
Legislative Auditor,  
Louisiana Legislative  
Auditor's Office  
(retired)

### Where:

Hilton Seattle Airport &  
Conference Center,  
17620 International Blvd.  
(near SeaTac Interna-  
tional Airport), SeaTac,  
WA 98188

### Price:

\$695 for ACFE Members  
and \$845 for non-  
Members  
Additional \$95 discount  
for early registration  
(deadline—September  
18, 2015)

### Registration:

Register directly with the  
ACFE at  
[www.ACFE.com](http://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)

in good standing.  
Congratulations to Mike on  
being selected to provide this  
valuable service to the Chapter  
Board and to the Membership!

(2) Vice President Julie  
Armbrust, CFE, CPA, and  
Training Director John  
Tollefsen, JD, LLM, CFE, CCS  
served as Chapter  
Representatives at the ACFE  
26th Annual Fraud Conference

June 14 – 19, 2015, in  
Baltimore, MD. See also the  
July/August 2015 Bi-Monthly  
Chapter Newsletter for more  
information, including the  
results of the Chapter  
Representative meeting held on  
Sunday, June 14, 2015.

(3) Chapter Member Linda  
Saunders, CFE, CPA/CFF of  
Forensic Accounting Consulting  
in Quilcene, WA, was the  
speaker at our August 12, 2015,

Fraud Seminar in Seattle, WA.  
The topic was, "What Is A  
Sociopath? A Forensic  
Accountant's Case Study of  
One." See also page 5.

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.

## Joint Chapter/ACFE Fraud Class October 19-20, 2015— Hilton Seattle Airport & Conference Center—SeaTac, WA

October 19-20, 2015, 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,  
"Controlling the Risk of Asset  
Misappropriation". The ACFE  
course leader is Allen F. Brown,  
CFE, CPA, Former Assistant  
Legislative Auditor (retired),  
Louisiana Legislative Auditor's  
Office. **Learn more about  
the speaker on Page 3.**

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

Asset misappropriations pose a  
risk to all organizations.  
According to the ACFE's 2014  
Report to the Nations, these  
schemes are by far the most  
common form of occupational  
fraud, occurring in 85% of cases  
reported and resulting in a

median loss of \$130,000. By  
identifying areas of vulnerability  
and implementing targeted  
preventive and detective  
measures, anti-fraud  
professionals can reduce the  
potential impact of these threats  
on their organizations.

This training course will help  
you assess your organization's  
risk of asset misappropriation  
and will provide best practices  
for deterring and identifying the  
costly theft or misuse of  
company resources.

You will learn how to:

- Identify common asset  
misappropriation schemes,  
including skimming, billing  
schemes and information  
theft.
- Assess entity-wide fraud  
risks, including how your  
organizational culture affects  
the threat of asset  
misappropriation.
- Assess the process-level  
fraud risks in the cash

receipts, cash  
disbursements, payroll and  
other functions.

- Establish effective internal  
controls to mitigate the risk  
of asset misappropriation  
schemes.
- Respond to an asset  
misappropriation scheme  
that has been identified.

Registration for this fraud class  
is directly with the ACFE. To  
register, contact the ACFE at  
(800) 245-3321, or at  
[www.ACFE.com](http://www.ACFE.com).

The cost of this class is \$695 for  
ACFE Members and \$845 for  
non-members. There is a \$95  
discount for early registration  
(deadline—September 18,  
2015).

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

Parking is available at the hotel  
at a discounted rate.

## Speaker for Joint Chapter/ACFE Fraud Class



Allen F. Brown, CFE, CPA  
Former Assistant Legislative  
Auditor, Louisiana Legislative  
Auditor's Office (Retired).

Allen Brown is a graduate of the  
University of Louisiana at  
Monroe and is a CPA and CFE.

Allen, now retired, was Assistant  
Legislative Auditor for the

Louisiana Legislative Auditor's  
Office. In this position, he  
oversaw investigations and  
matters related to local  
government audits and issues.  
He spent 21 years with the  
Legislative Auditor's Office and  
has participated in over 250  
investigative audits. Results of  
these audits included felony  
convictions of four sheriffs, three  
of whom went to prison. As a  
result of an investigative audit of  
the Department of Elections, the  
statewide elected Commissioner  
of Elections was also convicted  
of felony charges and sentenced  
to prison, and over 25 others  
were indicted and convicted,  
including vendors from New  
Jersey, Florida, and Alabama.  
Subsequent to this project, the  
department was eliminated by  
the state legislature.

His experience also includes 8  
1/2 years as Director of Internal  
Audit for the Louisiana

Community and Technical  
College System. This System has  
over 49 campuses throughout  
the state.

Prior to joining the Community  
and Technical College System,  
Allen was Practice Leader for  
Forensic and Investigative  
Services for the international  
firm of Deloitte and Touche.  
While with Deloitte and Touche,  
he directed projects in the  
continental United States,  
Hawaii, Mexico, Bermuda,  
Morocco, and the United  
Kingdom. He also worked with  
one of the major U.S. law firms  
in three major lawsuits involving  
the tobacco industry.

### New Chapter Members

Please welcome the  
new members who  
joined the Chapter  
during the period mid  
-June 2015 through  
August 2015:

#### CFEs:

- Debrea  
Anderson
- Allison Arkle
- Phyllis Ermye
- Robert Sinclair
- Susan Taller

#### Associate Members:

- Rhonda Bishop

#### Student Members:

None

## Overview of the Chapter Fraud Seminar in Seattle— December 2, 2015

December 2, 2015, 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:  
“Annual Review of Accountants  
Putting the Love of Money Ahead  
of Ethics: Detailed Review of  
Local and National CPA Fraud  
Cases.”

The speaker will be John J.  
Tollefsen, J.D., LL.M, Founder of

Tollefsen Law, PLLC, an  
attorney, Certified Fraud  
Examiner, and Certified Controls  
Specialist. 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 serves as the Training  
Director for the Chapter, and is  
a regular contributor to the  
Chapter Bi-Monthly Newsletter  
“Fraud Law” articles.

This session will examine  
selective recent CPA discipline  
cases from the SEC and other  
regulatory agency files with an  
emphasis on ethics. The speaker  
will present two King County  
criminal cases, as well as cases  
from the Washington  
Department of Financial  
Institutions (DFI) and the SEC.

**Determination pending  
whether this training fulfills  
the ACFE Annual Ethics  
CPE requirement for CFEs.**

**-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**

## 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 2015:

- December 1 - 4, 2015, SeaTac, WA (Hilton Seattle Airport & Conference Center, 17620 International Blvd.)

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 Reid’s website at [www.reid.com](http://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 develop interrogation themes, handle denials, overcome objections, and use alternative questions.

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

The training manual includes specialized information on interview and interrogation techniques for domestic terrorist activities.

*When one door closes, another opens; but we often look so long and so regretfully upon the closed door that we do not see the one which has opened for us.*

*—Alexander Graham Bell*

## Pacific Northwest Chapter/ACFE—Call for Speakers

One of the Chapter’s most important missions is providing training for its members. The Board of Officers is always looking for speakers for these events.

Our 2-hour Fraud Seminars are held at our downtown Seattle Training Facility (28th Floor of the Old Key Towers Bldg.—1000 2nd Avenue), and a 1-hour Fraud Seminar is held in conjunction with the Annual Business Luncheon Meeting in Tukwila. The Seattle Fraud Seminars are held the 2nd Wednesday in February and August, and the 1st Wednesday in December. The Annual

Business Luncheon Meeting is held on the 2nd Wednesday in June. The Chapter’s Annual Fraud Conference is held in early May each year.

In terms of topics, anything related to fraud prevention, detection, investigation, and prosecution is great and, in particular, cases literally “ripped from the headlines”. Some of the best training comes from the speaker’s own work experience.

If you are interested in being a speaker, know someone who would benefit from this experience, or have heard a great

speaker recently at some other training, please contact President Robert Goehring (President@ fraud-examiners.org) for more information.

On behalf of the Board of Officers and the Chapter Membership, thank you for your support of the Chapter’s fraud training mission!

## Highlights from the August 12, 2015, Chapter Fraud Seminar in Seattle—What Is A Sociopath? A Forensic Accountant's Case Study Of One

August 12, 2015, 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 could pre-register and pay at the Chapter website ([www.fraud-examiners.org/training.shtml](http://www.fraud-examiners.org/training.shtml)) or do so at the door. There were 11 people that attended this event.

The speaker was Linda Saunders, CFE, CPA/CFF, and is the 1994 founding owner of Forensic Accounting Consulting in the Pacific Northwest where she investigates fraud for clients and organizations, documents complex estate and financial exploitation cases, and investigates for the Prosecution or Defense for a wide variety of both criminal and civil cases around the country.

Linda is a Certified Public Accountant who is certified in Financial Forensics by the AICPA, and is a Certified Fraud Examiner and life member of the ACFE. She is a past president of the Pacific NW Chapter/ACFE.

Linda cut her teeth in forensic accounting and fraud investigations when she was first a Revenue Agent for the IRS, then became a Criminal Investigator as an IRS Special Agent. Her extensive IRS training includes over eighteen weeks of intensive income tax law and interview classes, as well as another thirteen weeks of rigorous in-residence training at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia. She also has advanced training in Scientific Content Analysis and Reid Interview and Interrogation Techniques.

She received her Associate of Science degree from Olympic College in 1978, her Bachelor of Arts in accounting from the University of Puget Sound in 1981, and her Master of Public Administration from the University of Oklahoma in 1993. She is a retired Officer from the United States Coast Guard where her assignments included Intelligence Officer and Fisheries Enforcement Officer. She earned two Coast Guard Achievement medals and a Coast Guard Commendation Medal during her twenty-one year career as a Reservist.

On this session, Linda explained that in fighting fraud and investigating it, she tells clients and organizations that often the perpetrator's alleged theft isn't the first one that this person has committed, and likely will not be the last. Holding a thief accountable protects more than just one organization. Her case study showed that the thief "just couldn't help herself." The perpetrator had already spent over four years behind bars, and this non-profit organization thought she was "rehabilitated." She kited nearly a million dollars in "interest-free loans" because she had total control of the organization's finances. She would have left the organization penniless if not for the investigation.

When fraud can't be preemptively fought, a forensic accountant or internal investigator comes in to try to pick up the pieces to determine the magnitude of the alleged fraud. The client does not want to believe that its bookkeeper or accountant would "do" such a thing as steal from them. They don't understand the mindset of a sociopath. He or she is wired differently. She is generally bright, charming, and seems sincere in what she tells them. However, the [sociopath](#) has an attention bottleneck that allows her to focus only on one activity or train of thought, to the exclusion of all others. This case study showed how a woman who had already spent four years in prison

for stealing over a million dollars from her former employer volunteered for a non-profit organization designed to help women transition from prison life. As their Treasurer, she kited nearly a million dollars from this benevolent organization and left them penniless. Holding perpetrators accountable was the theme of this presentation. The challenge for fraud examiners is convincing the victim of just how important the investigative steps are and then to move forward with tracking the losses for potential prosecution.

The learning objectives of this session were as follows:

- Understand the resistance you'll get from organizations who so adamantly want to believe their employees.
- Remain objective that what they find may simply be a misunderstanding about the finances.
- When fraud is found, become a sales person to push to hold perpetrators accountable and don't get caught up in the client's emotions of "harming someone's future." Educate the organization on what harm was done to them and don't let them simply get rid of the employee and kick the can down the road.
- Document your work so a Prosecutor can move forward with your case.

Linda did an excellent job in presenting critical information that attendees would be able to directly integrate into their respective jobs.

## The Tidbit: Scam Alerts— (1) Con Artists Strike When You're Packing; and, (2) Beware of Fall Frauds

**Scam No. 1.** This information was paraphrased from the Spring 2014 issue of AARP Bulletin/Real Possibilities by Sid Kirchheimer.

### Con Artists Strike When You're Packing.

Make a Smooth Move. Are you planning a move in the near future? If so, you'll be facing an elevated risk of having your sensitive data stolen. Moving is a prime time event for ID theft because your personal information is constantly shuffled from one place to the next, leaving it accessible to dumpster divers, rogue movers, nosy home buyers, and sketch contractors. The following is a list of ways to protect yourself, regardless of whether you're preparing to leave for a temporary snowbird season or for a permanent relocation:

- Notify the post office at least seven to 10 business days before your move date. A change of address form is available at the post office for free or on-line for a fee ([moversguide.usps.com](http://moversguide.usps.com)). Also notify your bank, credit card companies, retirement fund managers, insurance companies (including Medicare), health care providers, and utility companies. You should expect to receive a letter from the U.S. Postal Service, as well as others on the list above, at your old address asking whether your move is valid. These inquiries help foil scammers who fraudulently file address change requests in

your name to intercept your mail (even if you're not moving.). Notify the IRS by completing IRS Change Request Form 8822, available at [irs.gov](http://irs.gov), also assures that your tax correspondence doesn't go astray.

Shred all of your sensitive documents (i.e.; anything that contains your Social Security number, account numbers, or other sensitive data) before you move. You know you'll have to get rid of a lot of old paperwork. But, if you toss it in the trash, it may attract dumpster divers. Be careful at open house events because these are great ID theft opportunities. Sensitive documents, such as birth certificates, passports, wills, tax returns, financial statements, health insurance and medical records (along with jewelry and other valuables) should be removed from the home being shown, or at least kept in a locked cabinet or safe. This same rule also applies when you bring in contractors into your home to spruce it up prior to the open house.

Do your homework on moving companies. You're safest with companies that are registered with the Federal Motor Carrier Safety Administration and have a USDOT number assigned by the U.S. Department of Transportation.

- Supervise everything during the move. Your presence deters thieves. If you can't be there, designate a trusted person to be your eyes and

ears during your absence. Personally transport your sensitive items. Put your important papers and valuables in a locked box and take it with you. Move your computer yourself as well, or at least give it a strong password to prevent unauthorized access.

- Within 30 days after your move, verify that all mail is coming to your new address. Ensure that old utility, cable, or other accounts have been closed. Three months after the move, get a free copy of your credit report on-line at [annualcreditreport.com](http://annualcreditreport.com) to ensure that no fraudulent accounts have been opened in our name. This is especially important for snowbirds. Unscrupulous store clerks know that they have a better chance of using your cards without getting caught if you're on a snowbird move.

**Scam No. 2.** This information was paraphrased from the October 2014 issue of AARP Bulletin by Sid Kirchheimer.

### Beware the Fall Frauds.

Don't let the con folks spoil Medicare open enrollment for you. Medicare scams are a year-round concern, but the Fall period warrants special attention. Usually from mid October to early December each year, it's open enrollment. Medicare beneficiaries can make changes to their new years health plan and

*(Continued on page 7)*

### Scam Alert

#### Summaries:

**(1) "Moving is a prime time event for ID theft."**

**(2) "The most common scam is posing as an employee from the Centers for Medicare and Medicaid Services (CMMS) or other government agencies."**

## The Tidbit—Continued

(Continued from page 6)

prescription coverage at this time. For identity thieves, it's also open season – a time when their tried-and-true schemes go into overdrive.

The most common scam is posing as an employee from the Centers for Medicare and Medicaid Services (CMMS) or other government agencies. Scammers claim that new cards are being issued. To get your new card, all you need to do is verify or update sensitive information, including your Medicare number which is also your Social Security number.

Don't fall for it. Medicare will never call you by telephone to ask you for your personal information. They will also never send you an e-mail message or visit you unannounced to collect data from you. Why? Because they already have it on file.

Despite impostors' claims, there are no plans to issue new Medicare cards. Lost or stolen cards can be replaced at "ssa.gov" or by calling 800-772-1213. Although many consumer advocate organizations have urged the government to stop using Social Security numbers on these cards, a 2011 report concluded that changing

the system would cost upwards of \$845 million. So, for now it's up to the individual to closely guard their Medicare number.

But, there are other steps you can take as well:

- Don't give out any account numbers. In addition to wanting your Medicare information, scammers may also ask for a bank account number indicating that they need it to process a payment or an overdue medical bill. And, don't be fooled when they accurately cite a few digits from your personal checks. The best policy is to just hang up.
- Don't trust caller ID on your telephone. It can easily be manipulated to display whatever name or telephone number the scammer chooses.
- Run from the term "free". Telephone calls promising free medical supplies are often ways to obtain your personal information, such as by asking for a credit card number for alleged shipping charges. Also, be careful with pop-up store fronts and traveling clinics offering "free" health checkups that require you to give them your personal information.

- Don't fall for supplemental swindles. Open enrollment is the prime time for unscrupulous salesmen to pressure you into buying supplemental insurance products that will supposedly save you money. Before signing anything, compare medigap policies at "medicare.gov".

- Be careful about your records. Review the Medicare Summary notice that comes in the mail quarterly in order to identify fraud. Or, check it anytime on-line at "mymedicare.gov". You can also call 800-MEDICARE.

- Watch out for bilking billing. You may be told that something isn't usually covered by Medicare, but that there's a way around the rule. Or, you may be advised that you can get a kickback for providing your Medicare number or undergoing unnecessary treatments. These kinds of offers usually come from a "free" medical checkup that is being offered by the group running a scam. Regardless of how these claims are made, they spell fraud, and possible criminal charges against both you and the other person. When in doubt, check with Medicare of your supplemental insurance provider.

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## Free ACFE Webinars by Logging on to Your ACFE Membership Account

For dues paying members of the Global ACFE organization, 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 are available for a limited time and new content is periodically uploaded. More information can be found by logging in to the ACFE web site as a member, clicking on "My Account" in the upper

right corner, and then clicking on the link in the paragraph in the right column which says "Earn free ACFE CPE credit with webinars from industry-leading companies. Access archived webinars."

Currently available free webinars include:

- Fraud Analytics in the Cloud
- Data Analytics Strategies to Uncover Fraud

- Procurement Fraud: Improve Fiscal Responsibilities with Procurement Fraud Detection
- Finding Emerging Fraud Patterns Through High Performance Analytics and Visualization
- How to Catch a Tax Cheat - Using Advanced Analytics to Detect and Pursue Tax Evasion

## May 2, 2016—Pacific Northwest Chapter Annual Fraud Conference—Tacoma, WA

Monday, May 2, 2016, is the date of our Chapter's 2nd 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 4:20 p.m. Lunch will be provided from noon to 12:30 p.m.

The conference will again 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. **This will include training that meets the ACFE annual 2-hour Ethics training requirement for Certified Fraud Examiners.**

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.

Participants can register online through the Chapter website ([www.fraud-examiners.org](http://www.fraud-examiners.org)) effective December 1, 2015.

The cost of this event is \$150 for participants that register and pay on or before April 11, 2016, \$175 between April 12, 2016, and April 25, 2016, and \$200 after April 25, 2016. Chapter members will receive a \$50 discount from these rates. Chapter members must be current on their 2016 Chapter

dues to be eligible for this discount.

Pre-registration for this fraud conference is required. However, a limited number of same day registrations will be available.

Participants that cancel in writing on or after April 11, 2016, will be given the option of transferring their registration to another person, or applying their registration fee to the 2017 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.

## Start Planning for the ACFE 27th Annual Global Fraud Conference and Exhibition—June 12-17, 2016—Las Vegas, NV

Join nearly 3,000 anti-fraud professionals at the 27th Annual Fraud Conference in Las Vegas, NV June 12-17, 2016. Location:

ARIA Resort & Casino  
3730 Las Vegas Blvd  
Las Vegas, NV 89158  
(702) 590-7757  
(866) 359-7757

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.

There were six members of the Pacific Northwest Chapter/ACFE that attended the June 2015 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](http://www.fraudconference.com/uploadedFiles/Fraud_Conference/25th/content/registration/25th-annual-reg-form-groups-supplemental.pdf)) and send it via e-mail to [President@fraud-examiners.org](mailto:President@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.

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 2016.
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.

Participants must be current on their 2016 Chapter dues in order to participant in this program.



## Benefits of Chapter Membership and Serving on the Board of Officers

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
- \$50 discount on Chapter Annual Fraud Conference
- Free lunch at the June Chapter Training/Business Luncheon 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 all Board Members at the Chapter's Annual Fraud Conference (\$100 each)

## 2016-2017 Chapter Student Scholarship Program Award

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 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 2016-2017 Scholarship programs are encouraged to visit the Chapter website

([www.fraud-examiners.org](http://www.fraud-examiners.org)) or contact any Chapter Board Officer to learn more about these programs. The application deadline will be early February 2016.

Michael Jr. Obilikwu was the recipient of the 2015-2016 Award .

## 2015 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](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, 2015
- 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 2015
- 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 a drawing, if more than one person meets the eligibility requirements. The winner will be announced at the February 2016 Chapter Fraud Seminar.

## Volunteer Opportunity — UW Fraud Victims Pilot Project - Fraud Class— UW (Bothell Campus)

A Report to the Pacific Northwest Chapter/ACFE on the University of Washington (UW) Fraud Victims Pilot Project — By: Joseph R. Dervaes, CFE, ACFE Fellow, CIA, Chapter President Emeritus.

The University of Washington (UW) Fraud Victims Pilot Project is comprised of the King County Prosecuting Attorney's Office (Economic Crimes Unit), several law enforcement agencies in King County, WA (i.e.; the Kent Police Department in this case), a Forensic Accounting Class instructor from the University of Washington (Bothell Campus) Accounting Department, and one or more Certified Fraud Examiners (CFEs) from the Pacific Northwest Chapter of the Association of Certified Fraud Examiners. The project provides an opportunity for students attending a UW (Bothell Campus) Forensic Accounting Class to use their skills to help fraud victims obtain some measure of justice. The fraud victims in this project must be either private citizens or small businesses in King County who are unable to pay for a fraud examination to deal with an individual or individuals who reportedly caused them significant financial harm. The objective of the project is for the UW students and one or more CFEs to conduct a pro-bono fraud examination and issue a fraud examination report that would lead to the potential prosecution of the wrong-doer(s) in the case.

The inaugural Forensic Accounting Class (Winter 2014) at the UW (Bothell Campus) has now been completed, and everyone is justly proud of this achievement. There were 14 students who attended class each Saturday for 3.5 hours during the period January 10, 2015, through March 14, 2015. There were three CFEs who were Co-Instructors in the class and who also served as CFE Mentors for the students. The CFEs brought approximately 100 years of combined life experience to the classroom. It's also noteworthy to highlight that the CFEs helped to formulate the instructional material for this class, which was quite an

achievement. This graduate studies class was taught by Dr. Rajib Doogar at the UW Bothell Eastside Leadership Center in Bellevue, Washington.

There was no formal textbook for this class. Rather, the primary source of student learning came from their experience working on two actual fraud cases provided for their review by the King County Prosecuting Attorney's Office. They completed an employee embezzlement fraud case during the class and issued a fraud examination report and an internal control report to the King County Prosecuting Attorneys Office and the organization where the loss occurred at the completion of the class. However, there was an insufficient amount of time available for the students to similarly complete an elder abuse fraud case that was also provided to them for review. Instead, the students used their limited time to gain some insight into the case by reviewing the documents provided by the prosecutor. However, no formal conclusions were reached in the matter.

Other student learning sources included the following:

Dr. Doogar researched the Internet and provided selected Fraud Articles for the students to review and comment upon during the class. These articles included the following:

- "So What is Forensic Accounting", the ABO Reporter, D. Larry Crumbley, Fall 2009.
- "Detecting the Dubious Digits: Benford's Law in Forensic Accounting", Kuldeep Kumar, and Sukanto Bhattacharya, Significance, June 2007.
- CAP Forum on Forensic Accounting in the Post-Enron World: "Introduction and Commentary", Wally Smieliauskas, University of Toronto, Canada; and, "Forensic Accounting: Where and When Headed?"; and, "Accounting and Auditing Education Reform"; L. S. Rosen, Professor Emeritus, York University.

- Additional writings by Gray, Massoulli, Hickman, and Rice.

Joe Dervaes made presentations to the class on: "The Essence of a Fraud Examination – How it's Different from a Regular Audit"; and, "Secrets to Success While Performing Employee Embezzlement Fraud Examinations – Concepts to Remember". He also handled many of the fraud engagement administrative tasks to help ensure that the class and the students were successful.

John Tollefsen made a presentation on: "The Differences Between Criminal and Civil Law". He also developed a student exercise based on the employee embezzlement fraud case to give the students experience preparing for future civil depositions. During this exercise the students performed the duties of prosecuting attorney, defense attorney, and expert witness.

Liz Larson made a presentation on: "Elder Abuse Fraud", including an elder abuse fraud case study for review by the students.

Finally, the instructor and all CFEs made brief presentations on their biography and the types of fraud cases from their background in the career field.

The three CFEs attended all scheduled classes, with the exception of one CFE who had emergency surgery and missed one class (excused absence). We learned from this inaugural Forensic Accounting class that it was extremely important for the CFEs to be present in the classroom all of the time so that they could respond to student questions and formally mentor the students. Their participation and interaction with the students throughout the class was invaluable. So, Congratulations!" to all for a job well done.

The three CFEs who participated in this class were as follows:

*(Continued on page 11)*

## Volunteer Opportunity — Continued

(Continued from page 10)

- Joseph R. Dervaes, CFE, ACFE Fellow, CIA, Retired, President Emeritus, Pacific Northwest Chapter/ACFE;
- Dr. John J. Tollefsen, CFE, CCS, JD, Tollefsen Law, Chapter Training Director;
- Elizabeth Larson, CFE, Capital One, Chapter Member; and,
- Dr. Sridhar Ramamoorti, ACA, CPA/CITP/CFF/CGMA, CIA, CFE, MAFF, CFSA, CGAP, CGFM, CRMA, Associate Professor of Accounting, and Director - Corporate Governance Center, Kennesaw State University, Guest Lecturer on the book he co-authored with three other professionals on the topic of: "The ABCs of Behavioral Forensics – Applying Psychology to Financial Fraud Prevention and Detection", Wiley (2003).

At the conclusion of the class, the students prepared and delivered an outstanding briefing on the employee embezzlement fraud case to the King County Prosecuting Attorney's Office, UW Bothell executives and dean, a guest lecturer, and the CFE Mentors. During this presentation, the students demonstrated their understanding of the fraud case they reviewed and showed the depth of knowledge they had gained during the class about this type of fraud. At the conclusion of the presentation, everyone was convinced that this inaugural forensic accounting class at UW Bothell was a great success. It was a wonderful experience for the CFE Mentors to watch the students develop

their expertise during this pilot project. They began the class as novices, and wound up being quite competent in the subject matter when their work was done. Everyone had a learning experience that they will remember throughout their lives. Fantastic!

The Chapter wishes to express it's gratitude to our three CFE Mentors (Joe Dervaes, John Tollefsen, and Liz Larson) for their willingness to devote their time and efforts to participate in this pilot project. Their performance during this pilot project was exceptional and brought great credit upon themselves, the Pacific Northwest Chapter/ACFE, and the Association of Certified Fraud Examiners. Well done!

Two other Chapter CFEs also volunteered to serve as CFE Mentors during this pilot project for the Fall 2014 Forensic Accounting class. They were: Rick Osborn, CFE, CPA, Retired; and, Mike Nurse, CFE, CPA, Clark Nuber. However, this class was cancelled because a sufficient number of students did not register for it. Additional advertising led to the inaugural Forensic Accounting class in Winter 2014. So, the Chapter also wants to recognize these two individuals for their willingness to devote their time and efforts to participate in this pilot project.

Now for the future of this program. **The UW Bothell plans to hold its next Forensic Accounting class in Winter 2015 (beginning in January 2016).** So, now is the time to begin thinking about whether you would also be willing to participate in future classes of this pilot

project. We trust that the excitement generated by the results of this inaugural class from this article as well as encouragement from all who have participated in it will result in additional Chapter CFEs who would be willing to "throw their hat into the ring" for future classes.

How about you? If you are interested in becoming a CFE Mentor in the future, please contact any of the following for additional information about the program: Joe Dervaes, John Tollefsen, Liz Larson, or Robert Goehring. This is an extraordinary opportunity for Chapter Members who are currently retired and might be better able to volunteer their time than those who are currently working. But, the opportunity is available to all, as can be attested to by John Tollefsen and Liz Larson. They're currently working, yet still found time to work on this pilot project. So, this is an equal opportunity sport for both retired and active CFEs to pursue. Thank you in advance for considering this opportunity to improve your personal growth in the fraud examination career field.

### Update on Status of Case:

In May 2015 the former Kent Little League treasurer pleaded guilty to six counts of first-degree theft, two counts of second-degree theft, and stealing more than \$200,000 from the organization. On June 26, 2015, he was sentenced by the King County District Court to 22 months in state prison, and was ordered to pay restitution of \$208,743.

*All deception in the course of life is indeed nothing else but a lie reduced to practice, and falsehood passing from words into things.*

*-Robert Southey*

## Links to

### ACFE Chapters

Pacific NW Chapter  
[www.fraud-examiners.org](http://www.fraud-examiners.org)

Oregon Chapter  
[www.oacfe.org](http://www.oacfe.org)

Spokane Chapter  
[www.spokanefraud.org](http://www.spokanefraud.org)

Boise Chapter  
[www.boiseacfe.org](http://www.boiseacfe.org)

Big Sky Chapter (Montana)  
[kathy.arata-ward@josepheve.com](mailto:kathy.arata-ward@josepheve.com)

Vancouver, B.C.  
[www.cfevancouver.com](http://www.cfevancouver.com)

Edmonton Chapter  
[www.acfe-edmonton.com](http://www.acfe-edmonton.com)

Calgary Chapter  
[www.acfe-calgary.com](http://www.acfe-calgary.com)

### International ACFE Headquarters

[www.ACFE.com](http://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](mailto:President@fraud-examiners.org)



## Other ACFE Fraud Training Opportunities

- Contract and Procurement Fraud, Charlotte, NC 9/21/15 - 9/22/15
- CFE Exam Review Course, Washington D.C., 9/21/15 - 9/24/15
- Auditing for Internal Fraud, Los Angeles, CA 9/24/15 - 9/25/15
- CFE Exam Review Course, Dubai, UAE 10/4/15 - 10/8/15
- CFE Exam Review Course, New York, NY 10/5/15 - 10/8/15
- Fraud Related Compliance, Dallas, TX 10/14/15
- Using Data Analytics to Detect Fraud, Dallas, TX 10/15/15 - 10/16/15
- Contract and Procurement Fraud, Paris, France 10/15/15 - 10/16/15
- Controlling the Risk of Asset Misappropriation, Seattle, WA 10/19/15 - 10/20/15 \*
- Money Laundering Schemes, Boston, MA 10/26/15 - 10/27/15
- CFE Exam Review Course, Muscat, Oman 11/1/15 - 11/5/15
- CPA Exam Review Course, Austin, TX 11/2/15 - 11/5/15

\* See also pages 7 and 8 of this newsletter

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](http://www.ACFE.com). Contact her for more information and actual registration procedures.

## Other ACFE Chapter Annual Fraud Conferences

- Annual Fraud Conference, Pacific Northwest Chapter (May 2, 2016—Tacoma, WA)
- Annual Fraud Conference, Spokane, WA Chapter (November 19-20, 2015)
- 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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