

The Fraud Examiner



Pacific Northwest Chapter

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November/December 2016 Issue

Message from the President

Pacific Northwest Chapter/ACFE Annual Fraud Conference

Mark your calendars! I am pleased to announce that the Chapter will conduct its Annual Fraud Conference in Tacoma on May 1, 2017! 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 10, 2017, \$175 between April 11 through April 24, 2017, and \$200 after April 24, 2017. Chapter members will receive a \$50 discount from these rates. The Board of Officers will notify the Membership of more information about this training opportunity, including speakers, topics and registration procedures as it becomes available.

Chapter and ACFE Student Scholarship Programs

The Chapter offers one annual \$1,000 scholarship to an eligible student attending an accredited four-year college or university in Washington and seeking a major or minor in accounting, business administration, finance, or criminal justice. The ACFE Foundation also offers a robust scholarship program. Applications for the 2017-2018 academic year are due by **February 5, 2017**. If you are a student, or know of a student potentially eligible for this program, please help "spread the word". In addition, regardless of whether they apply for these scholarships, eligible students are encouraged to apply for Chapter membership at attend Chapter Fraud Seminar events, both of which are free to eligible students. See also page 9.

Chapter Members in the News

I encourage Chapter members to notify me about their recent or future presentations or publications so that these events can be publicized in the newsletter, as well as be incorporated into the Chapter and ACFE websites. (1) Chapter Member Robert E. Holtfreter, Ph.D, CFE, CICA, CBA, was the author of nine articles for "Fraud Magazine", the bi-monthly international newsletter of the ACFE in calendar year 2016. Six of these articles represented his work in producing "Taking Back the ID", his by-line column on "Identity Theft". The remaining three articles represented a three-part series of articles about data breaches by untrained workers which he co-authored with his research assistant. Dr. Holtfreter is the distinguished professor of accounting and research at Central Washington University in Ellensburg, Washington. He is also on the ACFE Advisory Council and the ACFE Editorial Advisory committee. His research assistant, Adrian Harrington, is an Associate member of the ACFE and a former student in Dr. Holtfreter's "Fraud Examination" class at CWU.

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

In Memoriam

Chapter President, Robert A. Goehring, experienced a death in his immediate family recently. His son, Duane Goehring, died suddenly at Harborview Medical Center in Seattle, WA in October 2016 from serious medical complications which could not be overcome even with today's modern medical technology. Duane's funeral was held at Riverview Community Church in Kent, WA on Saturday, November 12, 2016. It celebrated his love of the Seattle Seahawks, and many of the attendees at the celebration of life service wore team jerseys in honor of his memory. The Chapter Board of Officers and Members of the Chapter send Robert and his wife Kim our sincere sympathy on the passing of Duane. Our thoughts and prayers are with them at this most difficult time in their personal lives.

Joseph R. Dervaes/Chapter President Emeritus/(253) 884-9303/joeandpeggydervaes@centurytel.net.

Upcoming Training

Type:
Bi-Monthly Chapter
Fraud (Ethics) Seminar

Date:
December 7, 2016

Time:
2:30—4:30 p.m.

Topic:
Annual Review of Accountants Putting the Love of Money Ahead of Ethics: Detailed Review of Local and National CPA Fraud Cases

Speaker:
John J. Tollefsen, J.D., LLM, Founder of Tollefsen Law, PLLC, an attorney, CFE, and CCS

Where:
Downtown Seattle at 1000 Second Avenue in the Training Room on the 28th Floor of the Washington State Housing Finance Commission's offices. The building is located across the street and one block north of the Jackson Federal Building (corner of Second Avenue and Spring Street).

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

Registration:
Register and pay the Chapter at the door or on-line at the Chapter web site (www.fraud-examiners.org). Pre-registration is not required for this event.

December 7, 2016, Chapter Fraud Seminar in Seattle—Annual Review of Accountants Putting the Love of Money Ahead of Ethics: Detailed Review of Local and National CPA Fraud Cases

December 7, 2016, is the date of another Chapter fraud training seminar at our downtown Seattle training facility. There are 2 hours of Continuing Professional Education (CPE) available to all who attend this event.

This session has been approved by the ACFE as qualifying for the Annual ACFE Ethics CPE requirement for CFEs. So, if you don't already have your annual Ethics training requirement met for calendar year 2016, attending this session would be just what you need to complete your training mission.

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., LLM, 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. The speaker serves as a member of the Board of Officers as a

Director-at-Large/Training Director for the Chapter, and is a regular contributor to the Chapter's Bi-Monthly Newsletter column of articles on the topic of "Fraud Law".

This session will examine selective recent CPA discipline cases from the Securities and Exchange Commission and other regulatory agency files with a special emphasis on ethics. In addition, the speaker will present critical information concerning ethics that will be helpful to all who attend this session. The session will include a number of very powerful testimonials and other pertinent videos.

Overview of February 8, 2017, Chapter Fraud Seminar — Understanding the Secrets of Performing a Successful Employee Embezzlement Fraud Investigation

February 8, 2017, is the date of our first fraud training seminar in calendar year 2017 at our downtown Seattle training facility. There are 2 hours of Continuing Professional Education (CPE) available to all who attend this event.

The topic will be "Understanding the Secrets of Performing a Successful Employee Embezzlement Fraud Investigation".

The cost of this fraud seminar is \$20 for members and \$25 for

non-members. Student members may attend this event at no cost.

Attendees may register and pay the Chapter at the door or on-line at the Chapter web site (www.fraud-examiners.org).

Pre-registration is not required for this event.

The speaker will be Joseph R. Dervaes, CFE, ACFE Fellow, CIA. Joe retired after 42.5 years of audit and fraud examination services in 2006 as the Audit Manager for Special

Investigations for the Washington State Auditor's Office. He was responsible for managing the agency's Fraud Program and participated in over 730 fraud cases involving losses of over \$13 million during his 20-year tenure in this position. In 2003, Joe received the ACFE's coveted Donald R. Cressey award for his lifetime contributions to fraud detection, deterrence, and education. He is the former Chair of the Board of Regents (Regent Emeritus), former

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Highlights of the October 12, 2016, Fraud Seminar in Seattle—Lessons Learned from Gaming Industry Fraud Cases

October 12, 2016, 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.

Pre-registration was not required. Attendees pre-registered and paid at the Chapter website (www.fraudexaminers.org/training.shtml) or at the door.

The speaker was Gina St. George, CFE, CPA, Senior Manager with Moss-Adams, LLP. She is a Certified Fraud Examiner and Certified Public Accountant who started her public accounting career in 2001. In addition to auditing, her services include forensic accounting and fraud investigation, control system improvement, and operational assessment projects. Specialty areas include compliance with federal regulations and assessing accounting operations to provide recommendations for

improvement. Her fraud investigation experience includes detecting schemes related to disbursements, revenue, fraudulent asset transfers, and contract compliance. Her activities include quantifying the financial loss to the client through detail testing of transactions using both manual and automated techniques; interviews with the suspect(s), witnesses, and the victim(s); personal computer data mining, and obtaining evidence from outside parties. Gina also has experience working with law enforcement agencies, including conducting evidences searches of suspect's office. Finally, her experience includes working with the client's attorney in analyzing evidence and providing accounting expertise.

Gina is a member of the Association of Certified Fraud Examiners, the American Institute of Certified Public Accountants, the Institute of Internal Auditors, and the Pacific Northwest Chapter/ACFE.

In this session, the speaker will explore the following questions:

- How did they do it?
- How did they get caught?

- What valuable lessons did the speaker learn during her journey as a Certified Fraud Examiner who specializes in the gaming industry?

The speaker will discuss real fraud cases in the following areas: ATM and Kiosk thefts, Comp fraud, player point manipulations, table game collusion and deception, banquet server tip manipulations, gift shop and hotel bank thefts, data breaches and more. Hold on as we touch on as many fraud cases as possible during this session.

In this session, participants will:

- Gain an awareness of the types of frauds in the gaming industry.
- Learn the types of controls and documentation in place to aid in the prevention, detection, and documentation of fraud.
- Discover how fraud cases are typically handled in this unique environment.

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

Overview of February 8, 2017, Chapter Fraud Seminar —Understanding the Secrets of Performing a Successful Employee Embezzlement Fraud Investigation—Continued

Chair of the ACFE Foundation's Board of Directors, and a former member of the Board of Review, serving 13 consecutive years in these ACFE international leadership positions which ended in 2011. He is the President Emeritus of the Pacific Northwest Chapter/ACFE, serving 19 consecutive years on the Chapter's Board of Officers until his retirement in 2012.

The speaker developed this fraud material for a Graduate Studies Forensic Accounting Class at the University of

Washington (Bothell Campus) as a part of the Chapter's UW Fraud Victims Pilot Project. He gathered the learning concepts he had discovered over his 20-year career with the Washington State Auditor's Office during a several week research project into his career and then compiled them into the format for this fraud seminar. The information was originally intended to give the students a 20 year advantage over their peers in the field of fraud examination. But, after preparing and presenting the material to

the class, he realized that these concepts also serve as a refresher course for anyone who performs fraud examinations in their practice. Attend this fraud seminar to increase your knowledge on the topic, to improve your overall effectiveness, and to ensure you successfully perform all fraud examinations. This fraud seminar is just one more example of the fine training opportunities the Chapter sponsors for its members.

May 1, 2017—Pacific Northwest Chapter Annual Fraud Conference—La Quinta Inn & Suites—Tacoma, WA

Monday, May 1, 2017, is the date of our Chapter's 3rd Annual Fraud Conference. Registration begins at 7:30 a.m. and a continental breakfast will be provided. The conference begins at 8:00 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 (CPE) available to all who attend this event. **This will include 2 hours of training that meets the ACFE Annual Ethics CPE 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) effective December 1, 2016.

The cost of this event is \$150 for participants that register and pay on or before April 10, 2017, \$175 for April 11, 2016, through April 24, 2017, and \$200 after April 24, 2017. Chapter members will receive a \$50 discount from these rates. Chapter members must be current on their 2017 Chapter dues to be eligible for this discount.

Pre-registration for this fraud conference is required. However, a limited number of same day registrations may also be available. Participants that cancel in writing on or after April 10, 2017, will be given the

option of transferring their registration to another person, or applying their registration fee to the 2018 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.

Dr. Brian Steverson, the John L. Aram Chair of Business Ethics in the School of Business Administration at Gonzaga University will once again bring us an exciting Ethics presentation.

Our current plan is to have members of the Chapter Board of Officers round out the Conference with various topics in the format of "The Board of Officers Speaks". Don't miss this event!

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 2016:

- November 28 - December 1, 2016, SeaTac, WA (Hilton Seattle Airport & Conference Center, 17620 International Blvd.) \$770

These are the standard per-person rates and do not reflect the RPGA discounts or discounts available for more than one participant from the same organization.

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.

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.

The Child Abuse class is a specialized course for Child Protection Investigators which emphasizes the assessment of case information and the appropriate interviewing techniques for sexual abuse, physical abuse, and neglect cases.

"If you are in trouble, watch for danger." - Sophocles

The Tidbit: Scam Alerts— (1) Summer Travel Advice: Preventing Identity Theft on Vacation; and (2) IRS Scams and Threats Heat Up This Summer

Scam No. 1. This information was paraphrased from an article on “Summer Travel Advice: Preventing Identity Theft on Vacation” in the July 12, 2015, issue of The News Tribune newspaper, Tacoma, Washington, by Carolyn Bigda in “Getting Started”, published by the Chicago Tribune newspaper (yourmoney@tribune.com).

Summer travel can be full of sun and fun, but a stolen passport or hacked e-mail account can quickly dampen the experience. Having your personal information compromised while traveling is relatively common these days. A recent study by an identity theft organization found that 20 percent of consumers have had a driver’s license, passport, credit card, or other document with their personal information on it lost or stolen while on vacation. Nearly 40 percent had their identity stolen or were victimized in some other way, or know of someone else who did.

What can you do to make sure identity thieves don’t ruin your trip?

- Pack sparingly. This includes not only your suitcase but also your wallet. According to the above survey, 47 percent of travelers do not remove unnecessary credit cards from their wallet or purse. And, about 25 percent of folks travel with their Social Security cards.

Advice: Bring only the essentials with you, including a limited number of debit and credit cards. Leave your Social Security card at home. Then, if

your wallet or purse is stolen or lost, you won’t have all of your personal information compromised.

- Use free Wi-Fi carefully. Most folks look for free Wi-Fi while travelling. However, much of your personal information will be visible to anyone with the right tools, and your information will travel across the wireless network faster than you can travel around the world.

Advice: Connect to the Internet through a virtual private network which encrypts all the information that passes between you and the wireless network regardless of where that network is located in the world. You can obtain this software from Witopia for as little as \$5.99 a month.

- Avoid public computers. The public computer in a hotel or hostel may be convenient while traveling without your laptop, but using one may put yourself at great risk. You have no idea what is installed on the computer. Risks include key-logging software that saves your log-in details, security updates that are not installed, and no or out-of-date anti-virus software. These are real risks, not hypothetical situations!

Advice: If you have no other option but to use a public computer, do so only for the most innocent purposes, such as researching restaurant or hotel options. Never connect to your on-line bank account or enter any personal financial information on public computers. If you check your

e-mail, make sure you reset your password from a secure device soon thereafter.

- Make copies of important documents. Misplacing key personal information is common and sometimes unavoidable. Time is of the essence if your passport and credit card are lost or stolen on a trip. Contact your embassy or consulate or call your bank immediately. This way you’ll get a replacement quicker and stop any unlawful use of your information.

Advice: Make copies of your passport and credit cards and store the copies somewhere secure, like in a hotel room safe. You might also be able to scan copies of your passport and credit cards, encrypt the copies, and save them on-line.

Scam No. 2. This information was paraphrased from an article on “IRS Scam Calls and Threats Heat Up This Summer” in the July 29, 2015, issue of The News Tribune newspaper, Tacoma, Washington, by Susan Tompor (Notebook).

A digitized male voice called a citizen’s home recently claiming he was calling with an enforcement action executed by the U.S. Treasury Department. The voice said: “I advise you to cooperate and help us to help you.” Internal Revenue Service (IRS) impersonation collection calls are filling up the landlines of citizens once again, all over the United States. If you receive on of these calls on your answering machine, don’t call them back. Simply hit delete.

Scam Alert

Summaries:

- (1) **“Identity theft is a crime of opportunity, and thieves prey upon vacationers.”**
- (2) **“The IRS will not call you to demand immediate payment or tell you to put money on a prepaid debit card.”**

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The Tidbit—Continued

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Here's a new twist. The con artists aren't just dialing for dollars, they could be mailing or faxing falsified forms as well. According to the IRS: "Taxpayers need to know that scammers have started sending fake documents to trick people into sending money or 'verifying' their personal information." If you verify information on one of these inquiries, the data can then be used to commit tax refund fraud and file a fake tax return using your name and identification.

In mid-July 2015, the Federal Trade Commission issued a consumer notice stating that scammers are out there impersonating the authorities, including the IRS, the U.S. Treasury Department, local police departments, and the Federal Trade Commission (FTC). If they claim to be from the FTC, they might say they're trying to help you recover money lost to a scammer. Isn't that nice, they want to help you (not).

Some recent calls have come from a recording indicating that citizens will be called before a Magistrate for money owed for federal income taxes. Here's a clue: The caller's voice has an ethnic accent. Do not reply or return any messages like this. For most of us, these calls are a nuisance, but we're not loading up cash on a prepaid money card or wiring money via Western Union. We get it! We're working and hauling kids to swim meets, and dealing with oddball callers or falling for this IRS scam are not on our list of the important things we must do. The problem is that some people do get caught in these scams and that's why the scammers keep calling, over and over again.

Police agencies have reported that some citizens actually send money to the scammers six to eight times a year. For example, one citizen sent \$6,000 recently, and another sent \$8,000. The

scammers claim that the citizen owes back taxes to the U.S. Treasury Department and threaten to have the person taken to jail if they don't receive a payment immediately. One scammer told a citizen to mail a prepaid gift card to a Treasury address in Washington, D.C., but then changed the payment to be sent by a MoneyGram to a Walmart Store in Florida. Here's another clue: The Treasury will not send people out to arrest you for not paying your taxes. And, they just don't call citizens out of the blue.

If you receive one of these calls, contact your local police department before sending money. And, the Treasury isn't going to ask anyone to wire money to a Walmart or send prepaid cards to Washington, D.C. It will never happen. From October 1, 2013, through March 9, 2015, about 3,052 citizens fell for this scam and ended up sending \$15.5 million to scammers. That averages about \$5,000 per victim nationwide. The highest loss by one victim was \$500,000.

This type of scam has grown steadily since 2013 to the point where it is the largest, most pervasive impersonation scam in the history of the Treasury. The top states with citizens who lost money to the scammers were: California, New York, Texas, Florida, and Virginia.

The scam isn't limited to the IRS either. One citizen recently spent \$3,000 so far sending money to others claiming to be experts or officials from a computer company. The individual realizes he's being ripped off, but he's afraid of what could happen if he doesn't pay up. The most recent call demanded \$199 to unlock the individual's computer that appears to have been hit by ransomware. Officials advised this person that he likely would be better off not paying the money, getting a new computer with good security software,

and then sticking to safe Internet sites.

The scammers try their best to speak with authority. They may even have information on you that makes them sound more legitimate, such as the last four digits of your Social Security Account Number. And, they often have fake call ID set up on their telephone to make it appear that they're calling from a legitimate IRS number. A sure sign of fraud is when the caller starts making aggressive threats and demands that you pay up immediately. Another clue is when the scammer asks for credit card or debit card numbers over the telephone or threatens to have the local police or other law enforcement groups have you arrested for not paying up. They may even be abusive, brutal, threatening, rude, and foul-mouthed over the telephone..

Citizens often fear that if they don't pay up they'll somehow owe even more money. Senior citizens may even fear losing their independence if they wind up in trouble with the IRS. One such person was threatened with a lawsuit and a fine of \$30,000 plus five years in jail. Not knowing what else to do, they send money.

In summary, citizens must know that the IRS will not call you to demand immediate payment or tell you to put money on a prepaid debit card. The IRS will mail you a bill first if taxes are owed. But, always contact the IRS first before paying anything. If you think you owe taxes, call your tax preparer and the IRS at 1-800-829-1040. Or, read more on scam alerts at: www.irs.gov. If you do not believe you owe any taxes and think you're being scammed, report the incident to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484 at the integrity hotline. And, place the phrase "IRS telephone scam" in the comments of your complaint.

Fraud Law—November 2016—By Dr. John J. Tollefsen, CFE, JD, CCS

ONE-YEAR STATUTE OF LIMITATIONS ON EMBEZZLEMENT

Often the only hope of financial recovery from an embezzlement, other than from insurance policies, is from a bank which paid on forged endorsements (also spelled "indorsements"). A recent case (November 3, 2016) held that the statute of limitations in such cases is only one year in Washington State. (*Travelers Casualty & Surety Co., v. Washington Trust Bank*, No 92483-0)

An employee of a nonprofit serving disabled adult clients used her position to embezzle more than half a million dollars held by the nonprofit for its clients. She did this by drawing checks from the nonprofit's accounts payable to its clients, signing the back of those checks with her own signature, and cashing them at the nonprofit's local bank. The embezzlement was discovered in an admission in the employee's suicide note.

The Bank sent monthly bank statements during the embezzlement period. These statements included copies of the fronts of the checks that had been cashed at the bank. The statements did not include copies of the backs of the checks, which would have readily revealed the embezzler's signature.

During the relevant period of time, the victim could access its checking account online at any time to view both the front and backs of checks that cleared its account. The online process required clicking an account to view, clicking a link for the front of the check, clicking a link for the back of the check, closing the check, and repeating as necessary.

RCW 62A.4-406(f) provides:

"Without regard to care or lack of care of either the customer or the bank, a natural person whose account is primarily for personal, family, or

household purposes who does not within one year, and any other customer who does not within sixty days, from the time the statement and items are made available to the customer (subsection (a) discover and report the customer's unauthorized signature or any alteration on the face or back of the item **or does not within one year from that time discover and report any unauthorized indorsement** is precluded from asserting against the bank such unauthorized signature or indorsement or such alteration. If there is a preclusion under this subsection, the payor bank may not recover for breach of warranty under RCW 62A.4-208 with respect to the unauthorized signature or alteration to which the preclusion applies". [emphasis added]

This statute is part of the Uniform Commercial Code and is commonly enacted across the United States in some form in every state. The case turned on whether the unauthorized signature of an embezzler is an "indorsement" which is defined in RCW 62A.3-204(a):

"Indorsement" means a signature, other than that of a signer as maker, drawer, or acceptor that alone or accompanied by other words is made on an instrument for the purpose of (i) negotiating the instrument, (ii) restricting payment of the instrument, or (iii) incurring indorser's liability on the instrument, but regardless of the intent of the signer, a signature and its accompanying words is an indorsement unless the accompanying words, terms of the instrument, place of the signature, or other circumstances unambiguously indicate that the signature was made for a purpose other than indorsement.

RCW 62A.3-204(a) does not expressly require the "named payee" to sign or indorse the instrument. Instead, the statute essentially provides four alternatives under which a signature may qualify as an indorsement. Under the

fourth alternative, any signature operates as an indorsement unless it is unambiguously something else. Additionally, since the UCC does not define "indorsement," it appears any person's signature could act as an indorsement, not just the payee or holder.

The court held:

In this case, the embezzler's signatures arguably fit the first alternative [to negotiate the instrument] and plainly fit the fourth-she signed the top area on the back of checks at issue where an indorsement would normally appear, she presented the checks for payment, and she did nothing that would indicate unambiguously that her signature was anything but an indorsement. Therefore, under the plain language of RCW 62A.4-406(f), the time bar applies to unauthorized indorsements. The adjective "unauthorized" modifies signature, indorsement, and alteration in RCW 62A.4-406(f).

Although it seems that the one year rule will apply to most embezzlement cases, it is possible that in a given case there may be a different claim against a bank other than under RCW 62A.4-406(f) (for example a separate contract duty of the bank) and a chance of recovery.

John Tollefsen, J.D., LL.M., is a semi-retired attorney licensed in six jurisdictions, Certified Fraud Examiner, and Certified Controls Specialist. His email address is: John@TollefsenLaw.com. See TollefsenLaw.com for more information regarding fraud law. This article with footnotes and a copy of the case can be found at: <https://tollefsenlaw.com/one-year-statue-of-limitations-embezzlement>.

Dr. Tollefsen is also the Director-at-Large/ Training Director on the Chapter's Board of Officers, member of the Chapter's Web-site and Newsletter Committee, and the contributor for all of the information presented in this column.

2016 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, 2016
- 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 2016
- 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 2017 Chapter Fraud Seminar.

There were no applicants for the 2015 Award.

2017-2018 Chapter and ACFE Student Scholarship Programs

It's not too early to be thinking about the 2017-2018 student scholarship awards.

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 an eligible student 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 2017-2018 Scholarship programs are encouraged to visit the Chapter web-site (www.fraud-examiners.org) or contact any Chapter Board Member to learn more about these programs. The application deadline is **February 5, 2017**.

Applicants must first apply directly for the Ritchie-Jennings Memorial Scholarship Program, then provide the ACFE Foundation complete application package, including the ACFE's questions and students answers about their interest in the area of fraud, and a resume to Chapter President Robert Goehring via e-mail at President@fraud-examiners.org or by USPS to P.O. Box 215, Auburn, WA 98071-0215.

Elizabeth Stanton was the recipient of the 2016-2017 Award.

2017 Annual Chapter Dues

Annual Chapter Dues are once again due in January 2017 for calendar year 2017 membership. The dues are as follows: \$24 for CFE Members; \$30 for Associate Members; \$36 for Affiliates of the Chapter (non-members); and \$-0-

for Retired Members and Student Members. Information about how to pay is available on the Chapter website (www.fraud-examiners.org/membership.shtml).

The Chapter Board of Officers thanks you for your prompt attention to this matter, and appreciates your support of our Chapter's fraud training mission.

"For many men, the acquisition of wealth does not end their troubles, it only changes them." - Seneca

Links to

ACFE Chapters

Pacific NW Chapter
www.fraud-examiners.org

Oregon Chapter
www.oacfe.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.acfe-calgary.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

- Auditing for Internal Fraud, New Orleans, LA 11/17-18/16
- 2016 ACFE Fraud Conference Asia-Pacific, Singapore 11/20-22/16
- ACFE Law Enforcement and government Anti-Fraud Summit, Washington, D.C. 11/21/16
- Principles of Fraud Examination, Austin, TX 12/5-8/16
- Obtaining, Managing and Searching Electronic Evidence, Indianapolis, IN 12/12-13/16
- Fraud Prevention, Las Vegas, NV 12/12/16
- Bribery and Corruption, Las Vegas, NV 12/13-14/16
- Protecting Against Data Breaches and Cyberfraud, Phoenix, AZ 01/19-20/17
- Principles of Fraud Examination Austin, TX 12/5/2016 - 12/8/2016
- Fraud Prevention Las Vegas, NV 12/12/2016 - 12/12/2016
- Bribery and Corruption Las Vegas, NV 12/13/2016 - 12/14/2016
- Obtaining, Managing and Searching Electronic Evidence Indianapolis, IN 12/12/2016 - 12/13/2016
- Protecting Against Data Breaches and Cyberfraud Phoenix, AZ 1/19/2017 - 1/20/2017
- 2017 ACFE Fraud Conference Middle East Dubai, UAE 1/29/2017 - 1/31/2017
- Understanding the Mindset of a Fraudster Atlanta, GA 2/15/2017 - 2/15/2017

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

- Annual Fraud Conference, Spokane, WA Chapter (to be announced—Spokane, WA)
- Anti-Fraud Training, Vancouver Chapter/Justice Institute of BC (to be announced)
- Annual Fraud Conference, Pacific Northwest Chapter (May 1, 2017—Tacoma, WA)
- Annual Fraud Conference, Portland, OR Chapter (to be announced)

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