



Association of Certified Fraud Examiners – Arizona Chapter Founded in 1989

Fall 2008 Newsletter

CONTACT INFORMATION:

National ACFE: www.acfe.com **Arizona Chapter:** www.cfe-arizona.org
OR mail inquiries to: P.O. Box 27693 Scottsdale, AZ 85255-0144

November 2008 Update

President's Update

Lois A. Folk, CFE, CPA



Jim Ratley – ACFE President is coming to Phoenix! The president of the ACFE has agreed to speak at our December 3rd morning session for the Annual Holiday Party. Buffet breakfast will be served. The event will be from 8:00AM-10:30AM at the Wrigley Mansion. Cost is \$50 for non-members and \$25 for members. See our website for more information regarding this exciting event!

ACFE Upcoming Events

A national ACFE Training event is coming to Phoenix!!!!!!!!!!!!!!

Auditing for Internal Fraud

CPE Credit: 16 Dates: 1/22/2009 - 1/23/2009

Location: Hilton Scottsdale Resort and Villas
6333 North Scottsdale Road Scottsdale, AZ 85259



Fee: ACFE Members: \$695, Non-Members: \$845

Register by the Early Registration Deadline (Dec. 21st) to SAVE an additional \$95!

Go to www.acfe.com "Training & Events" for more information and to register.



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Elections: Officers & Board Member Information

The election for ACFE-Arizona Chapter Officers and Board of Directors is complete. The AZ ACFE Board currently serves a two year term with ½ of the board up for election each year. This ensures continuity in the chapter. All CFEs and Associates who are in good standing with Headquarters and members of the local chapter (with dues paid current) were eligible to vote.

The following individuals comprise the current AZ ACFE Board.

Elected in 2008

Lois Folk – President

Kathleen Barney – Treasurer

Carla Harris – Board of Directors

Patty Huling – Board of Directors

Candice Jones – Board of Directors

Elected in 2007

Krisa Bark – Vice President

Kathy Madison - Board of Directors

Sherry Parshley - Board of Directors

Heather Witt – Board of Directors



Chapter Payments - AZ ACFE is going high tech! We are currently putting in place the infrastructure to allow payments for annual membership and quarterly training via Paypal. Members will have the option of making a one time payment without having a Paypal account. The board is planning to have this option in place prior to the December training event. Look in your email boxes for more information in November!

If you have an outstanding balance for a prior training event, please resolve your account balance by contacting Kathleen Barney at KBarney@eidebailly.com . The board will no longer allow attendance at events without payment.



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The Fall Training Seminar on the Baptist Foundation was sold out and a huge success!

Thank you to our speakers: John P. “Sean “ Coffey, Felicina Rotellini, Arizona Superintendent of Financial Institutions, Paul Roshka, Roshka DeWulf & Patten, Leroy Johnson, Arizona Corporation Commission, and Ron Zahn, Western Forensic Services, LLC.

The Baptist Foundation Fraud - If you missed the ACFE’s Fall Seminar on the Baptist Foundation Fraud, you missed out! Here are a few of the fascinating facts about this case which was discussed in at our 4 hour seminar on Oct. 15, 2008:

The state’s investigation of the Baptist Foundation of America (BFA) case, sometimes called “Arizona’s Enron” began in April 1998 when a complaint was filed by an elderly victim who could not get his \$200,000 investment back. The complaint became case file # 98-0473 at the Arizona Attorney General’s Office and turned out to be the beginning of the investigation that uncovered the largest affinity fraud in United States History. After the BFA discontinued the sale of securities to investors, the Ponzi scheme collapsed and the entity entered into the largest bankruptcy in US history. There were over 11,000 investor victims and bankruptcy claims of about \$600,000,000. The Securities Division of the Corporation Commission joined the AG’s Office in the investigation.

In addition to the criminal case against eight defendants, there were several civil suits. The law firm representing BFA settled civilly for \$21 million. Arthur Andersen, the auditors for BFA settled the civil cases for \$217 million. Additionally, the remaining assets of the entity were sold and the investors recouped in excess of 60% of their investments. Three Arthur Andersen personnel were disciplined by the Arizona State Board of Accountancy. The panel was made up of professionals that handled various aspects of these cases.

Training Committee: We are always looking for informative and entertaining speakers on fraud-related topics for our monthly chapter meetings. We currently have a few openings in 2009. If you or someone you know has an interesting topic to share, please contact Lois Folk at lois.folk@rsmi.com.



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Membership & Monthly Meetings

The AZ-ACFE Chapter offers monthly training on a diverse range of fraud-related topics. Starting in 2009 our regular meetings will be held the third Tuesday of each month (except for July and August) in the 1st floor of Auditorium of 800 W. Washington Street in Phoenix, Arizona. Free parking is available on the top level of the garage just west of the building, and a cafeteria is located in the basement for your convenience. Sign-in and networking is from 11:30 a.m. - 12:00 p.m., with training presentations from 12:00 p.m. - 1:00 p.m.

Monthly training meetings are **free** to all members, and one hour of CPE is earned. There is a \$10.00 charge for non-members.

Membership benefits:

1. Members can attend a 1hr. CPE class at no cost 10 months out of the year = 10 hrs CPE
2. Members can attend a 4 hour or 8 hour CPE class quarterly with accomplished speakers at a reasonable rate. Earning more CPEs!
3. Networking – Periodic happy hours with appetizers sponsored by the chapter.





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Membership Update

We have experienced immense growth in the past few years. The membership totals keep going up. Thank you for your dedication to the organization!

Membership numbers includes CFEs, associates, affiliates, and student members.

If you are not currently part of this organization and would like to become involved, please apply at the next meeting or go to: www.cfe-arizona.org

Membership totals for 2005 – 2008 are shown below:

- 2005: 135 members
- 2006: 187 members
- 2007: 245 members
- 2008: 262 members and growing



Community Support

The AZ ACFE Chapter supports the education and development of students who are interested in fraud education. The following steps will be taken in 2009 to support this objective.

Scholarships:

An award of \$1,000 each will be provided to Northern Arizona University, Arizona State University, and University of Arizona for the ACFE-Arizona Chapter Scholarship Program. Children and family members of AZ ACFE members are eligible to apply if they are currently attending one of the universities listed.



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2008 Eller Ethics Competition:

The AZ ACFE provides a \$1,500 annual sponsorship to the University of Arizona Eller Ethics Competition. This event supports development of management and accounting skills of Eller college 3rd year students. Coordinated by the Director of Ethics, Eller College of Management at the University of Arizona, Paul Melendez organizes an exciting event involving students from all over the country and Canada in an Ethics Competition. Student teams present their cases to Judges and through elimination rounds, four teams are designated the “Ethical Four”. Those four teams eventually present to an entire auditorium whereby the winner is presented with an award at the closing ceremony. The students compete in ways to creatively and effectively resolve a dilemma both financially and responsibly between people, profit and planet. The AZ ACFE Board provides annual sponsorship and judging of this event. This yearly event is geared to increase awareness among students that in the real world there are often many situations that pose ethical dilemmas. If you would like to read more about it, or are interested in becoming a sponsor, please follow this link:

<http://ugrad.eller.arizona.edu/etegrity/competition/agenda.aspx>

Case of the quarter

If you have a fraud-related case that you would like to share in a future newsletter, please submit your article to Kathy Madison at kathy.madison@cfe-arizona.org. Please limit the article to 1 page and provide the ability to copy/paste into MS Word. We look forward to your submissions!

Fraud in the news - The Tom Petters fraud case (Abbreviated)

<http://www.startribune.com/projects/30350074.html?elr=KArksUUUU>

Tom Petters, the jailed entrepreneur identified by federal authorities as the ringleader of a multibillion fraud scheme. Petters -- a fast-talking Twin Cities entrepreneur renowned for turning around struggling companies -- was running a Ponzi scheme of staggering proportions. Investors were promised high returns on short-term investments in expensive electronics gear that would be sold through retailers like Sam's Club and BJ's Wholesale Club.