

Greater Pittsburgh



www.acfe-pgh.org

The Greater Pittsburgh Area Chapter (GPAC) of the Association of Certified Fraud Examiners Newsletter. This newsletter is sent to members of the Greater Pittsburgh Area Chapter to keep them informed of events and happenings related to the Chapter.

June Program Highlights: Andrew Richards, United States Postal Inspection Service

The speaker for June was Andrew Richards. Mr. Richards was making a return engagement for the Chapter and spoke about a variety of fraud cases that he has worked over the years, and the dynamics of the fraud investigation.

Mr. Richards talked about how the Federal Mail Fraud Statute is an effective tool for the prosecution of fraud, as most frauds use the mail in some form or other. In addition, the statute of limitations for mail fraud is five years.

Richards advised the group not to rely on computers or checklists. Instead, focus on the mechanics, or the physical acts people do to commit the fraud. To facilitate prosecution, capture the activity over the course of time. Richards indicated that suspects may be subjected to surveillance for a couple of weeks. When possible, a suspect may be turned and agree to wear a wire to get audio recordings of the fraudster.

Richards then described a number of cases that he was involved in over the years. His first fraud case involved an individual that started by committing fraud, but ended up committing multiple crimes including murder. Richards second case was an embezzlement case involving the theft of truck loads of coal from a mine.

Richards stated that if you see an anomaly, you must check it out. He also stated that who you hire is also important. The cases Richards spoke about pointed out the importance of the separation of duties, checks on CFO's to prevent them of lavish personal spending of corporate assets, controls on cash, and

Officers 2006-2007

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controls on valuable company assets/products.

Richards indicated that in a fraud case, identify how things are moved. Follow the paper trail, to locate where things are. Rely on the mechanics. Do not rely on computers. Everything has a physical side.

Director of Education
Open

18th Annual ACFE Fraud Conference and Exhibition

Orlando, FL • July 15-20, 2007
Disney's Coronado Springs Resort
www.FraudConference.com

Join more than 2,000 professionals and attend the largest-ever anti-fraud event in the world – the 18th Annual ACFE Fraud Conference & Exhibition, July 15-20 in Orlando. The ACFE's flagship conference brings renowned speakers, leading anti-fraud experts, worldwide practitioners and exhibitors to share anti-fraud knowledge and resources.



Fraud Fact: Collection Ratio

Accounts receivable aging is measured by the collection ratio. It divides 365 days by the receivable turnover ratio to arrive at the average number of days to collect receivables. In general, the lower the collection ratio, the faster receivables are collected. A fraud examiner may use this ratio as a first step in detecting fictitious receivables or larceny and skimming schemes. Normally, this ratio will stay fairly consistent from year to year, but changes in billing policies or collection efforts may cause a fluctuation. The Encyclopedia of Fraud

Chapter Election & Member Recognition: June 13, 2007

Congratulations to the 2007-2008 Officers!

- President – James Fellin, CFE, CPA
- Vice President – Diane Matthews, CFE, CPA
- Treasurer – Kelvin Pier, CFE, CPA
- Secretary – Shelly Bias
- Director – John Elliott, CFE, CPA
- Director – Georgene Fink, CFE
- Director – Craig Workman, CFE

A special thank you to former Director Carol Bertrum, CFE and Education Director Joshua Lefcowitz for their service to the Chapter. Also, welcome to our new Chapter officer, Shelly Bias!

Calendar of Upcoming Events

July

Summer Break
Chapter Officer's Planning Meeting

August 8, 2007

Chris Giovano
Topic to be announced

September 12, 2007

Kirk French
Topic to be announced

October 10, 2007

Robert Camern
Topic to be announced

No Meeting for July – Summer Break and Officer Planning Meeting

The July break affords the Chapter officers to opportunity to create an agenda for the new plan year, and to establish goals for the Chapter. Already, plans are in the works for another evening program featuring a top notch speaker. The Chapter officers would like to wish everyone a great happy and healthy summer, and we'll see you again in August!

ACFE Dues Increase

As you know, ACFE works hard to provide our members with world-class information and member benefits that are unmatched in the anti-fraud community. We also strive to keep our prices for services and training as low as possible in order to give you the best value possible for your training dollar. As a part of our commitment to keeping prices low, we have not raised associate membership dues since 1996. However, in order to keep pace with our members' needs and the rate of inflation over the last eleven years, associate membership dues will increase to \$125.00 effective July 1, 2007. And CFE Membership dues will increase to \$150 Canada. This increase will be used to support important investments in new technology and programs to aid in serving you and the profession. These are essential for the ACFE to continue to be a world-class professional association long into the future.

The ACFE is committed to supporting the profession and educating the professional in the global fight against fraud. If you have any questions about your membership please feel free to call Member Services at (800) 245-3321 / +1 (512) 478-9000 or email memberservices@ACFE.com.

The Greater Pittsburgh Chapter Library

Fraud Facts: Civil Fraud Action

Title	Status
2003 Edition of the Encyclopedia of Fraud (cd)	In
2003 Edition of the Fraud Examiners Manual (cd)	In
Auditing Accounts Receivable for Fraud	In
Conducting Internal Investigations	Out
Contract and Procurement Fraud (CD Rom)	In
Cooking the Books – Video/workbook	In
Fraud Related Internal Controls	In
How Fraud Hurts You and Your Organization (cd)	In
Interviewing and Interrogation (book by Don Rabon)	In
Investigating Fraudulent Financial Transactions (2 CD-Rom set)	Out
Statement Analysis (CD Rom)	In
The Computer and Internet Fraud Manual	Out

In *Southern Development Co. v. Silva*, 125 U.S. 247. 8 S.Ct 881.31 L.Ed (1887), the Supreme Court defined the legal elements of a civil fraud as follows:

- The defendant has made a representation in regard to a material fact.
- The representation was false
- The defendant knew the representation was false
- The representation was intended to provoke an action
- By the plaintiff, who suffered damage as a result, and
- In acting, the plaintiff reasonably assumed the representation was true.

Statements or representations, which express an opinion or judgment, honestly entertained are excluded from this definition.

Encyclopedia of Fraud

Web Site for the Investigator: ZoomInfo www.zoominfo.com

ZoomInfo is the premier business information search engine, with profiles on more than 35 million people and 3.8 million companies. ZoomInfo delivers a single site for quick and easy access to in-depth information on industries, companies, people, products, services and jobs. Find out more about how ZoomInfo can work for you.

We look forward to seeing you at future Chapter events!

