

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.

April Program Highlights: William C. Coe, Asset Protection Manager of the Internal Audit Department of WESCO

The speaker for the April was William C. Coe, Asset Protection Manager of the Internal Audit Department of WESCO Distribution Inc. WESCO is the largest electrical distributor in the US.

Mr. Coe conducted a presentation on corporate identity theft. WESCO has been targeted by corporate identity theft as fraudsters attempt to establish large lines of credit, based on fraudulent orders sent through the internet. Orders are paid through phony cashier and COD checks. The fraudsters will out credit applications using information on the WESCO website. Orders are submitted as urgent requests. As soon as an order is shipped additional orders are sent. The shipping address is usually a residential address and the orders are reshipped to another destination, usually in Nigeria.

The fraud technique is to focus on one industry and specific item. The fraudsters are organized and target mid-level sales positions. Orders are sent through e-mail through ISP providers such as earthlink, netzero, aol, gmail, hotmail, yahoo, and are also known to mimic the e-mail address of the corporate identity theft company. Domain names may be established by the fraudster to mimic that of the corporate identity theft company.

Mr. Coe indicated that WESCO was targeted because of previous Nigerian scams against WESCO, WESCO has experienced success and growth, and because WESCO has a presence on Nigeria.

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The scam started with the theft of a branch manager's identity, and use of a corporate officer's identity. A 412 area code was spoofed to make the calls look like they originated in Pittsburgh, and the victims believed they were placing an order with WESCO in Pittsburgh.

The cost of the frauds includes the cost of goods shipped, but also intangibles, such as company reputation, manpower resources, and a loss of confidence in the e-commerce system.

Lessons learned included reviewing the company website to make sure there is not too much information on it. If a identify theft situation occurs, alert the public. Assess controls and review approval process. Have increased management and employee awareness of schemes. Establish protocols for IP address tracking. To reduce company vulnerability, keep information secure, con

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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: Paperless

The cutting edge of this The Encyclopedia of Fraud

Chapter Election: June 13, 2007

The Greater Pittsburgh Chapter is looking for individuals interested in taking part in leadership positions of the Greater Pittsburgh Chapter of Certified Fraud Examiners.

Two of our officers will not be returning next year, so there are open Chapter positions. Please consider nominating yourself or a dedicated person that would be able to contribute to a growing and vibrant Chapter. Contact any Chapter officer to submit a nomination.

Calendar of Upcoming Events

May 9, 2007

Tony Greci
Clarion University
Benford's Law

June 13, 2007

Andrew Richards
United States Postal Inspectors

Chapter Elections

July

Summer Break
Chapter Officer's Planning Meeting

August 8, 2007

Chris Giovano
Topic to be determined

Viewing E-mail Headers (courtesy of William Coe)

Microsoft Outlook

1. Open e-mail
2. Select "View" on toolbar
3. Scroll down to "Options"
4. The Header is located in the small gray box at the bottom of the "Options" window. Labeled "Internet Headers"
5. Place your cursor in the box and "Select all" of the header
6. Right Click your mouse and "Copy" the Header
7. Open a Microsoft Word document and "Paste" the header into the document
8. You may then Save, E-mail or Print the header.

May Presentation: Benford's Law, Anthony Greci, CPA/PFS, CMA, CIA, CFM, CISA

Anthony Greci is a CPA/PFS, CMA, CIA, CFM, and CISA. He has an MBA from Carnegie Mellon University and a PhD in Accounting from the University of Pittsburgh. His work experiences include auditing with the GAO, selling securities for A.G. Edwards, and doing the tax and investment work for a branch of the Mellon family of Pittsburgh. He currently is a Professor of Accountancy at Clarion University and has an accounting practice in Butler, PA.

The presentation is on Benford's Law. Benford's Law states that natural numbers occur with statistical probability which establish predictable patterns of numeric occurrence with the first digit. This is a tool that can assist an auditor with identifying statistical anomalies. The presentation will include a description of how Benford's Law works, how it is applied, and some potential uses and limitations.

Please join us for this interesting and relevant presentation.

Ritchie-Jennings Memorial Scholarship

The ACFE Foundation is pleased to award a number of scholarships to support the education of collegiate accounting and criminal justice students around the globe. Thirty \$1,000 scholarships and one-year Student Associate memberships will be awarded through the Ritchie-Jennings Memorial Scholarship program this year.

The Greater Pittsburgh Chapter of Certified Fraud Examiners is looking for qualified full-time college

students interested in applying for a scholarship. Please contact a Chapter officer for details.

2007 ACFE Awards

Its time again for the Annual ACFE Awards. The Pittsburgh Chapter boasts several previous winners including David Banks, Pierre Khouri and the Chapter Newsletter. Please take a moment to consider nominating a deserving CFE, Educator or Chapter.

Honor an Anti-Fraud Colleague with Your ACFE Awards Nomination

Recognize one of your fellow fraud fighters for their hard work and dedication with an ACFE Awards nomination. The ACFE is proud to recognize those members who have displayed exceptional achievement in preventing, detecting and investigating fraud with its annual ACFE awards. These awards include Certified Fraud Examiner of the Year, Educator of the Year, Chapter of the Year and Newsletter of the Year. Achievement is also recognized in the area of Outreach/Community Service.

The recipients all share the common criteria of 1) being an ACFE member or chapter in good standing; 2) contributing significantly to the prevention, detection or investigation of fraud; and 3) contributing significantly to the discipline of fraud examination.

Nominations are due May 18th, 2007.

Awards and Criteria

Certified Fraud Examiner of the Year

The Certified Fraud Examiner of the Year Award is presented to a CFE who has demonstrated outstanding achievement in the field of fraud examination. This person must be a CFE in good standing; have played a significant role in the prevention, detection, or investigation of fraud; have made a substantial recovery or savings due to his or her role in a fraud examination; and/or have contributed significantly to the discipline of fraud examination. The nominee should be an active participant with the ACFE and in the community as well.

- [CFE of the Year Nomination Form](#)

Educator of the Year

The Educator of the Year Award is presented to an ACFE Educator who has made an outstanding contribution in anti-fraud education. Factors that will be considered in selecting the recipient are anti-fraud curriculum development efforts; impact on guiding students towards the anti-fraud profession; and influence in encouraging anti-fraud education growth in their local college or university. The nominee should also be active in their community.

- [Educator of the Year Nomination Form](#)

Chapter of the Year

The Chapter of the Year Award is awarded to a chapter that is active and is in good standing with the ACFE and provides timely and high quality fraud training and networking opportunities for its members; outreach

programs for the local business community about fraud prevention and detection; and active promotion of the ACFE and the CFE credential in their local community. A signed copy of the Uniform Chapter Bylaws should also be on file with ACFE Headquarters.

- [Chapter of the Year Nomination Form](#)

Chapter Newsletter of the Year

The Newsletter of the Year Award is awarded to the Chapter Newsletter that is of highest quality and is delivered to recipients on a regular and timely basis. The winning newsletter must contain pertinent chapter officer contact information and a schedule of upcoming chapter training events. The newsletter must also provide information received from ACFE Headquarters and other relevant and timely anti-fraud information, articles of interest, or other information that would benefit the membership or community.

- [Chapter Newsletter of the Year Nomination Form](#)

Achievement in Outreach/Community Service

The ACFE believes strongly that members should be active members of their community and committed to helping improve the quality of life where they live and work. This commitment can be fulfilled through volunteerism and community partnerships. The Outreach/Community Service Award is presented to an ACFE member that has made an outstanding contribution in their community. The nominee must demonstrate having been an active volunteer in community projects that have resulted in a recognized improvement of a community. The nominee should also be active in their local chapter and/or college/university.

- [Achievement in Outreach/Community Service Nomination Form](#)

The Greater Pittsburgh Chapter Library

Title

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

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Fraud Facts: Con Schemes: Home Based Businesses

Many companies marketing home-based businesses require customers to buy materials for assembly-at-home products. The company promises to purchase the completed products, but either disappears or offers less money than promised. Some home-based business promotions are legitimate, but many are not. Typical frauds include pitches for milk-culture kits, envelope stuffing, and an array of products offered by multilevel marketing organizations.

Money Manager or Financial Planner

These scams involve convincing marks to “invest” in low-risk, high-return opportunities.

Encyclopedia of Fraud

Web Site for the Investigator: MySpace

<http://www.myspace.com/>

MySpace is an online community that lets you meet your friends' friends.

Individuals with MySpace pages post information about themselves which may prove useful in an investigation.

We look forward to seeing you at future Chapter events!