

Greater Pittsburgh Chapter

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The ACFE is the professional organization for fraud examiners. The mission of the ACFE is to reduce the incidence of fraud and white-collar crime, and to assist the membership in its detection and deterrence.



2007-2008 Board Members

President:

James Fellin, CPA, CFE
jfellin@nottinghamgroup.com
412-288-9948

Vice President:

Dr. Diane Matthews, CPA, CFE
matthewsDA@carlow.edu
412-578-6348

Secretary:

Shelley Bias, CFE
shelley.bias@alcoa.com
412-553-2240

Treasurer:

Kelvin Pier, CFE, CPA
kpier@piersolutions.com
412-759-8698

Directors:

John Elliot, CPA, CFE
jelliott@bc.pitt.edu
412-624-6127

Georgene Fink, CFE
Georgene.fink@hminsurancgroup.com
412-544-1124

Craig Workman, CFE
workmanc@upmc.edu
412-454-5524

December Meeting: Robert Ridge, JD, Thorp, Reed & Armstrong: Foreign Corrupt Practices Act

Bob Ridge, an attorney with the law firm of Thorp Reed & Armstrong led a presentation on the Foreign Corrupt Practices Act. Mr. Ridge was joined by co-presenters Lourdes Sanchez Ridge and Peter Blume.

Mr. Ridge detailed that the Act applies to all businesses who conduct business overseas and even some that do not have overseas operations. He also discussed the various provisions of the Act and what payments might be presumed to be an infraction of the Act. He pointed out that currently, the vast majority of violations are self reported. Penalties assessed appear to vary greatly among infractions.

Mr. Blume continued the presentation with a discussion of the books and records provisions of the Act which requires Subject Company to maintain good records of all potential violations. Companies should be careful to maintain detailed records of all transactions that may be subject to the Act

Ms. Sanchez-Ridge covered enforcement of the Act and detailed the penalties that are assessed by the Department of Justice which administers enforcement of the Act, which can vary from fines of millions of dollars to jail time, although jail time is rare. She also pointed out that companies that self

Committees

Membership
Kelvin Pier

Newsletter
Craig Workman

Networking
James Fellin

Education
Craig Workman

Website
John Elliott

Please contact a committee chair with ideas, or to help on committee activities.

Upcoming Chapter Events

January 9, 2008

Kirk French
Stock Option Backdating

February 13, 2008

To Be Announced

March 12, 2008

To Be announced

April 9, 2008

To Be Announced

Continuing Professional Education Verification

Don't forget to submit your Continuing Professional Education (CPE) to the ACFE by January 31, 2008. Since the Board of Regents revised the continuing education requirements to 20 CPE credits every calendar year, the ACFE has simplified the reporting process. You no longer are required to submit detailed documentation to the ACFE regarding your CPE credit hours unless you are randomly selected for

report are generally subject to less severe penalties for this reason. When a company has a question about a transaction, they can submit the details and get a ruling.

This presentation was a good follow-up to the presentation of Perry Minnis of Alcoa who conveyed the importance of good corporate compliance and the challenges of facilitating that with overseas operations. We would like to thank all who attended these interesting and informative presentations.

Best Wishes for the Holidays and 2008!

The Officers and Board would like to extend our wishes to all for a wonderful holiday season, and a healthy, prosperous and happy new year!



Ben Roethlisberger Foundation

Chapter officers voted to donate \$100.00 to the Ben Roethlisberger Foundation in the name of the Greater Pittsburgh ACFE Chapter. The Ben Roethlisberger Foundation seeks to (a) provide support for police and fire departments throughout the US with a particular emphasis on service dogs and (b) to enhance the quality of life for residents of Findlay, OH and Pittsburgh, PA.

See <http://www.bigben7.com/foundation.aspx> for details of the foundation

January 9, 2008 Presentation: Kirk French, Stock Option Backdating

Our January speaker is Kirk French. Mr. French will speak about Stock Option Backdating. Kirk is an accounting and finance professional with 20+ years experience in the Big 4 public accounting, engineering, manufacturing and government industries. Kirk's resume includes the following:

- FASB/GAAP research and white paper preparation including research related to FAS 123R for the correction of prior years pro forma stock option expense and avoidance of millions in stock option expense that would have been charged to the P&L in future years as well as performance of FAS 141 Goodwill Impairment tests

audit.

To maintain your CFE certification each year:

1. Earn at least 20 total credits between January and December, ten of which must be fraud related.
2. Confirm your CPE compliance by visiting www.ACFE.com and selecting "My account" from the left hand menu, then select CPE compliance.
3. Maintain detailed documentation of earned CPE credits in a file of your own for up to three years to provide to the ACFE in case you are selected for audit.

Speakers and Writers Needed

The Chapter is looking for speakers for future Chapter meeting events. Presentation should be 50 minutes long and be about a fraud or white-collar crime related issues. Speakers receive 1 hour of CPE credit for their presentation.

The Chapter is also looking for writers to contribute articles for future Newsletters. If you would like to contribute an article or short piece on fraud, please forward your articles or contributions to Craig Workman at craig77w@comcast.net.

- Due diligence, merger and acquisition analysis and divestiture analysis
- Financial statement preparation, financial reporting and internal management reporting
- Consolidation accounting, General ledger accounting and Purchase accounting
- Budgeting and forecasting and budget to actual variance reporting
- Significant financial analysis, financial modeling, operations analysis and cost analysis
- Conducted external audits as part of Big 4 public accounting firm, including extensive review, documentation and evaluation of internal control structures and management's control environment

During the past three years, Kirk has been an associate of Resources Global Professionals and Skoda Minotti. During this time he completed a two year engagement with an international distribution company, where he assisted this client as their interim financial reporting manager. His responsibilities entailed working on all of the company's 10Q's and 10K's, 8K's, S-1's as well as an 8-K and an S-4. This included all of the research, documentation, documents preparation for the filings. In addition to the SEC filings, Kirk researched and implemented FAS 123R, researched new FASB pronouncements and prepared white papers for management and outside auditors. Kirk has documented SOX 404 procedures which passed the annual testing of controls for the client. Kirk spent eight months with an international manufacturer of micro computer chips in the Silicon Valley providing accounting research and documentation in a ten year restatement related to stock option backdating of options granted to employees and non-employees. During this engagement, Kirk performed the self assessment of the client's compliance with key control SOX procedures utilizing MetricStream software resulting in increased reliance on controls by the CPA firm reducing their internal control testing and audit fees. He also monitored stock option plan compliance and wrote technical white papers. Most recently, Kirk developed SOX control procedures for a public company filing as a small business issuer in their initial documentation utilizing VISIO software. Kirk's prior career history includes: Skoda Minotti, CPA's, Resources Global Professionals, Maglev, Inc. (CFO), Innovation Works, Inc. (CFO); Thompson Dugan, CPA's (Senior Audit Manager), Grant Thornton International (Senior Audit Manager), EG&G, Inc. (Dir. Finance) and Arthur Andersen & Co. (Sr Auditor).

Please join us for this interesting and relevant presentation.

PA Alliance for Security and Preparedness (PAASP)

The Pennsylvania Alliance for Security and Preparedness (PAASP) supports innovative and collaborative efforts across all private and public sector industries, that increase the professionalism and development of personnel, raise the profile, and improve recruiting and retention of security and preparedness professionals.

Please see www.paasp.com for more details.



Watch out for new
programs in the not too
distant future!

We look forward to seeing you at future Chapter Events!