

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.



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August Meeting: Pierre Khoury

Pierre Khoury, CIFI, FCLA

**Special Investigator, Harleysville Insurance Company
Forensics of a Fire Investigation; The Isabella VFD Case**

The August speaker was Pierre Khoury, who investigated the Isabella VFD arson case in 2002. Isabella is a small town set on the Monongahela river that used to be a coal mining town. The town is tight nit with only one road entering and leaving town. The town social hall was built in the early 1900's and later became the town fire hall. The joke around town was that the fire department burned the hall down.

When investigating an organized ring, Mr. Khoury advised that it is important to understand the organizational elements. Khoury went over each of the major players in the case and their backgrounds.

For investigating arsons, you must establish a motive. The insurance on the hall was recently increased from \$100,000 to \$500,000. The fire hall was old, and the VFD was strapped for cash. There had also been a rash of 52 possible arsons in the area.

There were road blocks to be overcome for the investigations to be successful, such as funding an investigation, geographical issues, fear by witnesses, and complacency over the burning down of abandoned buildings.



Committees

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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

September 10, 2008

Dr. Andreas Olligschaeger,
President, TruNorth Data
Systems, Inc.
Working the Data Mine:
Information Sharing, Data
Mining and Fraud Detection

October 8, 2008

Mike Selwood
FTI Consulting
Case Study (TBA)

October 17, 2008

Joint CFE/IIA Seminar
3 speakers; 4 CPE
3 Topics:
Red Flags of Fraud
Interviewing & Interrogation
Cases in Accounting Ethics

Speakers and Writers Needed

The Chapter is looking for

Of the 304 residents of the town, over 100 were associated with the VFD. There was a fear of retribution for talking to investigators.

On June 26, 2006 an attempted arson of the fire hall failed when fires set in multiple points of origin did not catch. An inventory of the hall found many town artifacts and appliances. On June 30, 2002, a second fire gutted the building. However, many of the town artifacts and fire hall appliances were missing from the hall when the second fire took place. In addition, for the second fire, there was forced entry, and the gas and electric had been shut off.

The investigation involved a neighborhood canvas, interviewing of witnesses, establishing a motive, initiating the insurance claim, and gathering evidence. Under the insurance claim, the insurance company was able to conduct interviews or EUOs, (evidence under oath) with the officers of the VFD. These interviews locked them into their stories. Also, the fire hall had been chained shut before the second fire. Though tool mark comparison, evidence matched the fire department bolt cutters to the cut marks on the chain. This positively matched the VFD to the forcible entry.

Law enforcement was able to get wire taps, and identify four informants in the VFD. Through search warrants, many of the hall artifacts were located in VFD member homes. Forensic analysis of computer pictures used as an alibi actually placed the suspects at the hall on the night of the fire.

Mr. Khoury summed up by identifying lessons learned; obtain statements from subjects quickly to lock them into their stories; never take no for an answer; pay attention to detail and documentation; maintain personal safety; and be persistent.

September 10, 2008

Dr. Andreas Olligschaeger
President, TruNorth Data Systems, Inc.
Working the Data Mine: Information Sharing, Data Mining and Fraud Detection

Dr. Andreas (Olli) M. Olligschlaeger is the president of TruNorth Data Systems, Inc., a company specializing in law enforcement information systems consulting and software development for federal, state and local agencies. Formerly a systems scientist at Carnegie Mellon University, with appointments at the H. John Heinz III School of Public Policy, the Robotics Institute and the School of Computer Science, Dr. Olligschlaeger also has practical experience working with

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.

We look forward to seeing you at future Chapter Events!

law enforcement agencies in narcotics enforcement, crime analysis and criminal intelligence. The primary focus of his work is on artificial intelligence methods for crime forecasting, advanced analytical tools for the automated mining of very large data sets for both crime analysis and criminal intelligence, advanced spatial statistical methods for geographic information systems and crime mapping, and the development of law enforcement related systems that integrate many different analytical techniques into a single interface. His work in correctional intelligence has included the automated mining of and topic detection within speech recognized text derived from inmate telephone calls. Dr. Olligschlaeger is a member of the International Association of Crime Analysts, the International Association of Law Enforcement Intelligence Analysts, the Society of Police Futurists International, the PFI/FBI Futures Working Group and serves on the advisory board of the High Tech Crime Consortium.

Information sharing between government, public and private organizations and the mining of this data to identify patterns of crime has been the topic of much heated public debate over the past few years. Yet data mining is crucial to the detection of patterns of crime, including fraud, and cannot be successful without vast quantities of data. Complicating matters is that fact that data can come from a myriad of sources, each of which may contain a piece of the puzzle, as well as many different formats. This talk will focus on some key aspects of information sharing, data integration and data mining. Finally, an application of these aspects will be demonstrated that automatically detects patterns of fraud and other criminal activity within inmate telephone calls.

Dr. Olligschlaeger holds a B.A. in Geography from Concordia University an M.A. in Geography from the University of British Columbia, an M.Phil. in Public Policy from Carnegie Mellon University, and a Ph.D. in Public Policy, also from Carnegie Mellon University.

Please join us for this interesting and relevant presentation.