

Greater Pittsburgh Chapter

June 2009
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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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Chapter Elections on June 10, 2009

Please join us for our annual meeting to elect new officers and our annual member recognition activities. Thank you to all of our members for your continued support.

June 10, 2009 Meeting Ray Lichauer and Brian Snyder, Medicare Fraud

Medicare Fraud fraud costs taxpayers billions every year. The June presentation will focus on current schemes that target Medicare and the efforts to fight Medicare fraud. The speakers for June are Brian Snyder of SafeGuard Services and Ray Lichauer of Highmark Medicare Services

Brian Snyder is a Fraud Investigator for SafeGuard Services LLC which supports the Center for Medicare and Medicaid Services in efforts to combat fraud and abuse in the Medicare and Medicaid programs. Brian is a graduate of The University of Pittsburgh with a Bachelor of Arts Dual Degree in Business/Economics. In November of 2000, Brian became a Certified

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 Events

June 10, 2009 Chapter Officer Elections

Ray Lichauer
Medicare Fraud

July 2009

No Meeting

August 12, 2009

Speaker Invited

September 9, 2009

To Be Announced

Please contact a Chapter Officer if you are interested in volunteering as an officer for 2009-2010

Upcoming ACFE Events

www.acfe.com

20th Annual ACFE Fraud Conference and Exhibition

July 12-17, 2009

Bellagio, Las Vegas, Nev.

Today's economic climate requires you to find the answers to address the present

Fraud Examiner and served on the Greater Pittsburgh Chapter's Board of Directors from 2000-2001. Prior to joining SafeGuard Services LLC, Brian served as an Internal Auditor for Federated Investors and as a Senior Fraud and Loss Investigation Officer for PNC Bank.

Ray Lichauer is the Medicare Part A Program Safeguard Contractor Support Analyst for Highmark Medicare Services in Pittsburgh. He has been with Highmark since January, 2007 1997 and serves as the lead company Point of Contact, in performing on-going operational work under the Joint Operating Agreement between Highmark Medicare Services and SafeGuard Services LLC. Ray is a graduate of Clarion University of Pennsylvania with a Bachelor of Science Degree in secondary education with majors in French and Psychology. He has been a CFE since March 12, 2003 and an Accredited Health Care Fraud Investigator (AHFI) since April 16, 2007.

Please join us for this interesting and relevant presentation.

May 13, 2009 Meeting Pittsburgh City Controller Michael Lamb

Pittsburgh City Controller Michael Lamb was the speaker for the June meeting. The Controller's Office processes city contracts, pays the city's bills, and issues refunds. Controller inspectors are responsible for checking materials such as asphalt to insure that the city is getting what it pays for.

The Controller's Office is also responsible for performing audits. Each city department is subject to audit every four years. The Controller's Office conducted 9 audits last year as compared to 9 audits in the last 4 years. Additionally, the Controller's Office conducts special audits such as the audit of emergency responses.

Mr. Lamb spoke about the city finances, and indicated that there has been a dramatic turnaround. The City previously filed ACT 47

and future fraud challenges your company faces. Discover these answers and more at the 20th Annual ACFE Fraud Conference & Exhibition. The 2009 lineup of keynote speakers has been announced: Michael Chertoff, former U.S. Secretary of Homeland Security; and Madoff Securities whistle-blower Harry Markopolos, CFE, CFA, will lead this dynamic group. Visit

Attend the Most Important Event for Anti-Fraud Professionals.

Join more than 2,000 of your fellow anti-fraud professionals at the 20th Annual ACFE Fraud Conference and Exhibition. Whether you are new to the field or an experienced professional, you will find opportunities to enhance your knowledge and develop your skills. You will also enjoy unparalleled opportunities to network with the premier practitioners and thought leaders in the fight against fraud. The ACFE Fraud Conference and Exhibition connects you with experts, resources and information that can help you stay competitive in this rapidly evolving industry.

For more information, please visit www.FraudConference.com.

Distressed status which allowed new taxation. This included the increase of the Occupation tax to \$52 dollars. Taxes generated more income for the city than was expected as the city is seeing job creation.

Mr. Lamb spoke about some of the problems facing the city including paying down the city's debt and the underfunded pension plan. Lamb stressed that it was important to manage future debt.

Mr. Lamb indicated he had concerns when he entered office with lax controls. Lamb discussed various fraud cases involving the city and attempts at instituting controls to prevent future frauds. Mr. Lamb also spoke about practices related to contracting in the city and high profile cases involving the city contracting.

For identifying fraud in the city, Mr. Lamb indicated that sometimes it is found through audit and sometimes the newspapers find it. The biggest concern is not having controls in place. Upon taking office, Mr. Lamb met with Controllers of other Pennsylvania cities to identify "best practices". One of these is to have an audit done of the Controller's office.

Mr. Lamb then spoke on future plans, including the possibility to adopt County business practices and shared technology services. Lamb stated that his office is trying to move the city towards increasing resident's trust. Facing the opportunities for fraud is a challenging responsibility. Mr. Lamb then took several questions from the audience.



Keynote Speakers

The ACFE Annual Fraud Conference traditionally hosts the foremost experts in the anti-fraud field. These leaders in their fields share their insights and address the key issues. Previous conference speakers include: Senator George J. Mitchell, Senator Paul Sarbanes, the Honorable Michael Oxley, Ben Stein, Rudy Giuliani, Sherron Watkins, David M. Walker, Cynthia Cooper, William Barr and many others.

This year's conference is no exception. The 2009 lineup of keynote speakers is a diverse group of influential leaders and practitioners that will both inform and enlighten you.



Michael Chertoff

2nd U.S. Secretary of Homeland Security

Opening Ceremonies & General Session

Monday, July 13

8:30 - 9:50 a.m.

In his previous capacity as a federal prosecutor, Michael Chertoff co-authored the USA PATRIOT Act, served as the lead prosecutor in the "Crazy Eddie" Antar securities fraud case and led the government investigation of Enron and its accounting firm, Arthur Andersen. A leader and statesman, Chertoff came to the job of 2nd Secretary of Homeland Security with a background heavy with experience in fighting terrorism and white-collar crime, having served as the head of the Justice Department's criminal division in the months after September 11. [Read Bio](#)



Robert Rudloff, Jr., CFE, CIA

Vice President of Internal Audit, MGM MIRAGE

Working Lunch

Monday, July 13

11:40 a.m. - 1:10 p.m.

A 27-year veteran of the gaming industry, Bob Rudloff is a recognized leader in the internal auditing profession and a frequent speaker on internal auditing, fraud and gaming industry topics at local and national conferences and seminars. Prior to joining MGM MIRAGE, he was Director of Internal Audit Services with PricewaterhouseCoopers serving diverse clients such as Starbucks Coffee Company, Overture Services, Gemstar-TV Guide, Hypercom, Hyatt Gaming and the Mississippi Band of Choctaw Indians. Mr. Rudloff will discuss the ethical failures of organizations, the indicators that were present, and how to develop a stronger ethical culture in an organization. [Read Bio](#)



Mark Sullivan

Director of the United States Secret Service

General Session

Tuesday, July 14

8:30 - 9:50 a.m.

After joining the agency in 1983 as a special agent and working his way up the ranks, Mark Sullivan was sworn in as the 22nd Director of the United States Secret Service on May 31, 2006. He oversees the activities of the entire federal law enforcement agency best known for protecting the safety of the President and other national VIPs. In addition to the more traditional duties of the U.S. Secret Service, Mr. Sullivan's agency is also responsible for the investigation of financial crimes, credit card fraud, telecommunications fraud, computer fraud, identity theft and crimes affecting federally insured financial institutions.



Harry Markopolos, CFE, CFA

Fraud Investigator and Madoff Securities Whistle-Blower

Working Lunch

Tuesday, July 14

11:40 a.m. - 1:10 p.m.

Harry Markopolos is an expert in financial derivatives mathematics and prior to becoming a full-time fraud examiner, he was Chief Investment Officer for a Boston-based, multi-billion dollar derivatives asset management firm. Mr. Markopolos has risen to prominence as the "Madoff whistle blower" for his persistence in shedding light on Bernard Madoff's alleged \$50 billion Ponzi scheme. Beginning in May 2000, Mr. Markopolos regularly submitted detailed documentation to the Securities & Exchange Commission regarding the scheme. He was ignored and the fraud was allowed to reach epic proportions. He recently testified to the House Financial Services Committee on the breakdown within the SEC.



Aaron Beam

Convicted Fraudster & Former HealthSouth Chief Financial Officer

General Session & Closing

Wednesday, July 15

11:40 a.m. - 12:30 p.m.

In 1984, Richard Scrushy and Aaron Beam co-founded HealthSouth, a provider of outpatient surgery and rehabilitative services that would go on to become that nation's largest company of its kind with annual revenues exceeding \$3.5 billion. After years of record growth, the company fell just short of expectations in 1996 and Scrushy ordered the books to be fixed. Mr. Beam complied and, anguished and guilt-ridden resigned from the company a year later. When the scheme, which had continued for nearly 10 years, unraveled in 2005, Beam pleaded guilty to bank fraud in what became a \$2.6 billion accounting scandal. He served only three months in federal prison in return for his testimony against former HealthSouth Chief Executive Officer Richard Scrushy.

Subject to change.