

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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Ken McCrory CPA, CFE McCrory & McDowell, LLC Sometimes They Aren't Guilty

The speaker for February was Ken McCrory of McCrory & McDowell an accounting, auditing, tax services and business consulting firm.

Mr. McCrory quoted the Business Times that when the economy goes down, fraud increases. However, sometimes a defendant really is innocent. James J. Grosjean, a Vice President at Wyatt Inc., was indicted by a federal grand jury on charges of conspiracy, mail fraud and aiding in the preparation of a false income tax return.

McCrory explained that the strategy of the defense included distancing Grosjean from the fraud and showing how Grosjean's actions did not satisfy the elements of the Cressey Fraud Triangle. The defense argued that Grosjean was not involved in the details of what occurred. Payments from Wyatt were allegedly sent to Wyatt Project Manager Jack Barton and charged as shareholder distributions. Barton was accused of making kickback payments to an Allegheny Power employee to obtain construction projects. When Grosjean received the expense reports, he asked the Accounting department how to handle them. Barton also submitted Expense reports which included a trip to the Caribbean. The defense argued that Grosjean did

Committees

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Newsletter
Craig Workman

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

Upcoming Events

March 11, 2009

James Whitaker
Urish Popek
Mortgage Fraud Investigations

April 8, 2009

Speaker Invited

ACFE Events

For upcoming program information and more details on the ACFE, go to www.acfe.com

Upcoming ACFE Events

[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 and future fraud challenges your

not benefit from these payments, and that there were no indicators that Grosjean was involved in any fraud.

For the charges related to aiding and abetting the preparation of false or fraudulent tax returns related to the how the company recorded the expensing of the Caribbean trip and other payments to the Allegheny Power employee, the defense argued that once again Grosjean did not derive any benefit from the trip, as he didn't go on the trip. There was a business benefit to the trip. The defense argued the tax returns were not fraudulent as the amount of tax was not material, Grosjean did not attempt to mislead the IRS, and the prosecution did not meet the elements of fraud.

Mr. McCrory's presentation gave an interesting perspective of the defense of a white-collar crime prosecution.

2008 Compensation Guide for Anti-Fraud Professionals

The ACFE's [2008 Compensation Guide for Anti-Fraud Professionals](#) is out, and the results confirm the value of the Certified Fraud Examiner credential: **CFEs earn nearly 22 percent more**, on average, than their non-certified colleagues. This finding is based on research conducted by independent research firm Industry Insights, Inc.

Findings in the 2008 Compensation Guide include:

- **Certified Fraud Examiners (CFEs) earn nearly 22 percent more than their non certified colleagues.** The survey showed that CFEs earn a median total compensation of \$90,300, while the median total compensation for non-CFEs is \$74,111.
- **More executive-level professionals are certified.** Greater than 80 percent of those surveyed who are a partner or principal in their firm are CFEs. Similarly, more than 70 percent of the respondents who are executives and directors have the credential, while CFEs make up more than two-thirds of survey respondents who are managers and supervisors/senior consultants.
- **The CFE adds value for auditing and accounting professionals.**
 - External auditors: CFEs earn 27.6% more than non-CFEs
 - Internal auditors: CFEs earn 18.3% more than non-CFEs
 - CPAs/CAs: CFEs earn 25.1% more than non-CFEs

The full 2008 Compensation Guide is available for download (in PDF) at www.ACFE.com/compguide.

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.

Special: Two ACFE courses at one location
Investigating Conflicts of Interest and Financial Institution Fraud
March 18-20, 2009 • Washington DC

Investigating Conflicts of Interest

March 18, 2009

Member: \$295

Non-member: \$395

Gain an understanding of how and why conflicts arise and how to spot the warning signs of a conflict of interest, plus leave with an understanding of issues specific to these challenging engagements. [Learn More.](#)

Speaker:

ACFE Members Save 5% on Dues with Auto Dues Renewal

You can save time, eliminate paper statements and postage, and get a 5% discount on your membership dues when you sign up for ACFE Auto Dues Renewal. You can enroll online, or contact Member Services and a member of the ACFE team will help you.

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March 11, 2009

James E. Whitaker, CFE, CPP
Urish Popeck

Investigating Mortgage Fraud:

This session examines effective investigative strategies for investigating suspected Mortgage Fraud cases. Several key concepts are presented to help identify the three distinct types of Mortgage Fraud. They include fraud for profit; property acquisition; and organized criminal conspiracy. Specific discussion centers upon identifying the key players in the various schemes and how to successfully negotiate each dynamic of the investigation after the closing. All critical issues for the investigator.

James E. Whitaker is our March speaker and possesses more than 38 years of hands-on experience in law enforcement, management, training, and private sector investigative experience. He received a bachelor's degree in criminal justice administration and a master's in business management (with an emphasis on organizational design) from Myers University in Cleveland, Ohio. He's a graduate of the FBI National Academy, National Crime Prevention Institute, and ATF Insurance Fire Academy. Besides the Certified Fraud Examiner (CFE), he holds the designations of Certified Protection Professional (CPP), and Certified Insurance Fraud Investigator (CIFI). He is board certified in Security Management and serves on both the Investigations and Insurance Fraud Councils for ASIS International. He has served on the Board of



J. Steven Clark
Attorney at Law
 Steve Clark's experience as an elected state Attorney General, Chief of Staff to a Governor, Judge, Arbitrator, Mediator, Professor of Law and Entrepreneur provides him a unique background in understanding the legal system, fraud, ethics and business or governmental regulation. [Read More.](#)

[Register for both courses and SAVE!](#)
[Financial Institution Fraud](#)

March 19-20, 2009
 Member: \$695
 Non-member: \$845

This two-day instructor-led course will address challenges and solutions related to fraud and financial institutions including cyber frauds and privacy issues. In addition, the course will discuss what controls can be implemented to minimize the threat of both data and identity theft. [Read More.](#)

Speaker:



E. Michael Thomas, CFE, CBA, CIA, CPA, CRP
Executive, Crowe Chizek and Company LLC
 Mike Thomas has over twenty-five years of broad-based experience, specializing in the financial services industry. His responsibilities include advising clients in areas such as risk management, fraud prevention and quality assurance assessments. [Read More.](#)

Regents for ACFE and is currently an adjunct faculty member as well.

Mr. Whitaker has trained and has been a featured guest and instructor for many organizations including ACFE, ASIS International, the National Fire Academy for ATF, and the Association of Special Investigation Units. He has served as a special news consultant for FOX television regarding fire scene investigations and for ABC News as an insurance fraud consultant.

He served as the Executive Director of the International Association of Arson Investigators in Washington, D.C. and now owns and manages The Whitaker Group, LLC, an investigative services, training, and security consulting firm headquartered in Ohio. The Whitaker Group recently entered into a partnership with Urish Popeck .

Please join us for this interesting and relevant presentation.



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. [Read Bio](#)

Subject to change.