



## CONTACT NUMBERS FOR THE 2012 BOARD OF DIRECTORS

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Dan Dalton	778-242-2965
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Rosanne Terhart	604-646-4381
David McCartney	604-605-5361
John Dumfries	604-214-0337

Vancouver Chapter Committees members were appointed on December 21, 2011. We are always looking for help with the various committees. Committee members do not have to be members of the board, so let us know if there is an area where you would like to help out. Contact the committee chair directly or send an email to: [information@cfevancouver.com](mailto:information@cfevancouver.com).

### **ETHICS**

**David McCartney**

### **MEMBERSHIP/OUTREACH LIAISON**

**Rosanne Terhart**

### **PROFESSIONAL DEVELOPMENT AND TRAINING**

**Martin Nicholls**

### **NEWSLETTER**

**John Dumfries**

### **SECRETARY**

**Dan Dalton**

### **TREASURER**

**Dan Dalton**

### **WEBSITE**

**John Dumfries/Russ Lefler**

## PRESIDENT'S MESSAGE

Good news: participation at our luncheon meetings is growing and I would like to thank all the members who attended our last lunch PD session with Colleen Cross.

For those of you who could not attend, we provided a table where our members could provide business cards, brochures or information on services that they provide. We will continue this new practice at our future luncheons along with providing a hidden door prize.

Once again, we need you to sign up to our website so we can publicize "Member Services". Remember there is a lot of work out there considering that, unfortunately, fraud is a popular activity for the undesirables in our community.

Rosanne Terhart, your past president, Martin Nicholls and our newest Board member, Joanna Joniec, are putting the finishing touches on the soon-to-be-announced May training session and it's looking very interesting.

Our sponsorship program is moving forward, as we have a sponsor for the May training event as well as our next luncheon. We welcome one and all so please bring a friend and benefit from our professional experiences.

Please share your ideas and watch your chapter grow!

Norm Grdina, CGA, CAFM, CFE  
President, Vancouver Chapter



## **VANCOUVER CFE CHAPTER LUNCHEON**

When: Wednesday, April 25, 2012 at Noon

Speaker: Tony Hunt

Topic: An update on London Drug's response to losses from the Stanley Cup riots

Where: Terminal City Club Ceperley/Walker Rooms

Cost: \$40.00 for members and \$50.00 for guests

To register:

Email: [cfevancouver@yahoo.ca](mailto:cfevancouver@yahoo.ca)

Please keep in mind that the chapter must confirm to the TCC the number of guests 48 hours prior to event. If you are unable to attend the luncheon notify Jean at least 48 hours prior to the event at the email above to ensure you will not be charged the cost of the lunch.

## **Vancouver Chapter – May Training Day – May 30, 2012**

***Exclusively Sponsored by BDO Canada LLP***

Location — Terminal City Club, Ceperley/Walker Rooms  
837 West Hastings Street, Vancouver, BC

Registration Deadline — Friday, May 25, 2012

List of speakers and topics:

- Linda Murray  
Survival Tips for the busy CFE
- Don Adam  
Major Case Management - Pulling it all together
- Jamie MacDonald  
Communication in an Adversarial Situation
- Greg Yanicki  
Structured Interview Process Making the most of your interview
- Hank Reiner  
Complex Commercial Crime Prosecution in BC

For more information:

[HTTP://CFEVANCOUVER.COM/EVENTS](http://cfevancouver.com/events)

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## **March speaker summary**

Colleen Cross conducted a presentation on the subject of Money Laundering. The following is a summary of the highlights of her presentation:

She provided two examples of how organized crime launders money through paying cash for leases for luxury vehicles and buying real estate.

She also provided an extensive list of Red Flags that financial institutions should be aware of when processing client transactions.

Colleen also explained how conflict diamonds are smuggled and the Omega Diamond Company being on trial for a \$2 billion tax fraud and smuggling scheme. Global Witness implemented Kimberly Accord, which was recently withdrawn because it was a certification document that could be easily forged.

She also covered the topic of Hawala, the traditional South Asian money transfer system and how it can be used by criminal organizations to launder money due to its lack of an audit/paper trail and an independent regulatory system.

She informed us about The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) requires that all Canadian financial institutions implement training programs to combat illicit financial activity within the country. Companies are also obligated under the PCMLTFA to report suspicious transactions to FINTRAC within 30 days. Penalties are \$2M and/or 5 years imprisonment for failure to report.

For a PDF copy of Colleen's entire presentation refer to the newsletter section on the website:

<http://cfevancouver.com/newsletters>



## **Find a Fraud Examiner**

The Vancouver Chapter website <http://cfevancouver.com/examiners> has a section called **Find a Fraud Examiner** where members in private practice or those willing to take outside jobs can advertise.

**If you are a CFE** and a current member of the Vancouver Chapter of the Association of Certified Fraud Examiners and you would like your name and contact information on our website, please send the following information to us at [website@cfevancouver.com](mailto:website@cfevancouver.com) and put '**Find a Fraud Examiner**' in the subject line.

### **Name:**

Professional Designation(s):

Title:

Company:

Address:

Telephone #:

Fax:

Cell Phone #:

Email:

Website:

Specialty or Area(s) of Practice: \*

*\* For instance, Forensic Accounting, Risk Consulting, Investigation, Employment Law, etc. We are also happy to accept a short narrative description of your services. Please note that other than name, each of these fields is entirely optional.*

## **Website Jobs Posting**

A feature of the website is a Jobs Posting page <http://cfevancouver.com/postings>. We are offering a free posting to any companies who have even one employee as a member of our chapter.

To post a position, contact John Dumfries or Russ Lefler at [website@cfevancouver.com](mailto:website@cfevancouver.com).

## **April speaker bio – Tony Hunt**

Tony Hunt is General Manager of Loss Prevention for London Drugs Limited, however he also wears a couple of other hats. He is Director of Security for London Air Services and London Aviation Centre, and Director of Security for Sonora Resort and Conference Center.

Tony has spent 27 years in retail business with 25 of those years working directly in Loss Prevention. He began his Loss Prevention career with 10 years as an LPO on the sales floor. In 1998 after acquiring his Certified Protection Professional designation and completing Security Management studies at the University of Calgary he began working at London Drugs head office intensively with internal investigations, tech crime, and remote digital video networks.

Tony is an active member of the Retail Council of Canada's Loss Prevention Committee. He is a member of the British Columbia Crime Prevention Association, Private Investigators Association of British Columbia, Northwest Fraud Investigators Association, Association of Certified Fraud Examiners as well as the American Society for Industrial Security. He is also a member of the Vancouver Board of Trade on the Community Safety Committee.

### **Publisher note:**

There was an interesting article in the March/April 2012 edition of the CGA Magazine regarding the tax deductibility of legal fees defending violations of competition laws.

It states that these fees are usually deductible because of the connection between the alleged act and the earning of business income. However, legal fees to defend charges of tax evasion are not deductible.



## **Chapter news**

Members and the public are able to connect with the ACFE Vancouver chapter via social media sites such as Twitter and LinkedIn. To find out about PD events, job postings, network with fellow members and keep up to date with the latest fraud news add/follow us on social media sites.

Twitter:

[http://twitter.com/#!/ACFE\\_Vancouver](http://twitter.com/#!/ACFE_Vancouver)

LinkedIn:

[http://www.linkedin.com/groups?gid=3964400&trk=hb\\_side\\_g](http://www.linkedin.com/groups?gid=3964400&trk=hb_side_g)

## **CFE member profile - Albina Alimerko**

Originally from Albania, Albina moved to Canada in 2009 and started work for Grant Thornton (GT) later that year. She has been an active team member of GT's Regulatory and Anti Money Laundering Consulting and Corporate Intelligence Services.

The last 10 years prior to joining GT she worked in Albania and Kosovo for the US Agency for International Development (USAID) and the US Treasury's Office of Technical Assistance-Financial Crimes Enforcement Team in development projects involving health, anti-corruption, anti-fraud, anti-money laundering and anti-terrorist financing.

Albina is experienced in dealing with financial institutions, regulatory and law enforcement agencies, and numerous industry sectors.

Albina received her Bachelor of Science in Mathematics from the University of Tirana, Albania, 1990. Albina is a member of the Association of Certified Anti Money Laundering Specialists (2005) and, a member of the Association of Certified Fraud Examiners (2006). She is fluent in Albanian and English.

## **Books about white collar crooks**

Since it is now tax season, I thought it was appropriate to review two books related to income taxes but more specifically to government's wasteful spending and people not paying their fair share of taxes. The first one is "Pension Ponzi: How public sector unions are bankrupting Health Care, Education and your retirement" by Bill Tufts and Lee Fairbanks.

It is chock full of interesting facts such as:

- 20% of the Canadian workforce is in public sector unions, according to the CFIB wage watch report, which also shows public sector salaries and benefits exceed those of private industry by 30%.
- Pensions are such as the CPP are underfunded. \$148 billion for 18,000,000 people (\$722 per retiree). The Ontario Teachers Pension plan is \$35 billion short. The Ontario Municipal Employees plan is \$8-9 billion short.
- In Canada there are 5 employees for every pensioner. By 2036 there will be 2.5 workers for every pensioner.

One blatant example of our tax dollars going to waste is regarding the story of former Senator Raymond Lavigne who was sentenced to 14 years in prison for fraud and breach of trust. The charges were related to making false travel expense claims and having his staff work on his personal property during Senate hours. He was barred in 2007 from attending senate proceedings but he was still paid his \$132,000 salary. He resigned because if he was sentenced to more than 2 years in prison while in office he would've lost his \$69,000 a year pension.



## **Books about white collar crooks continued**

The second book about tax fraud waste and abuse I recommend is entitled "Treasure Islands: Uncovering the damage of offshore banking and Tax havens" by Nicholas Shaxson. As supposed to just mentioning the traditional tax havens such as Switzerland and the Caymans, this book gave examples of how the UK and the USA takes advantage of offshore banking and bank secrecy laws.

Some interesting tidbits of information include:

- The US GAO reported in 2008 that 83 of the USA's biggest 100 corporations had subsidiaries in tax havens specifically Citigroup had 427 subsidiaries in tax havens, while Enron in its heyday had 881 offshore subsidiaries and that News Corporation had 152 subsidiaries in tax havens.
- US corporations paid about 40% of income tax in the 1950s now it is approximately 20%.
- The top 0.1% of taxpayers saw their effective tax rate fall from 60% in 1960 to 33% in 2007. The richest 400 Americans booked 26% of their income as salaries and wages in 1992 and 36% as capital gains. By 2007 they recorded only 6% as income and 66% as capital gains.
- Nevada does not require a corporation to report where it does business. The IRS has no way of knowing whether a Nevada corporation has filed a federal tax return.
- Delaware has over half of US publicly traded companies and nearly two thirds of the Fortune 500 are incorporated there. Delaware hosts 882,000 active business entities.

## **In The News**

US based tax preparers called "Tax Masters" ordered to pay \$195 million for defrauding customers:

<http://money.cnn.com/2012/03/30/news/companies/taxmasters-fraud/index.htm>

US based H&R Block manager arrested for Identity theft of Tax clients according to "Accounting Today":

<http://www.accountingtoday.com/news/HR-Block-Manager-Arrested-Identity-Theft-Tax-Clients-62102-1.html#.T24F9Z7Qyo.twitter>

Thieves maybe stealing US IDs and tax refunds:

[http://www.bankinfosecurity.com/articles.php?art\\_id=4595&rf=2012-03-19-eb&elq=5fbaab339e2448c4916fe8ec475270e4&elqCampaignId=1602](http://www.bankinfosecurity.com/articles.php?art_id=4595&rf=2012-03-19-eb&elq=5fbaab339e2448c4916fe8ec475270e4&elqCampaignId=1602)

US Taxpayer convicted in \$763 million tax scheme:

<http://www.accountingtoday.com/news/Tax-Preparer-Convicted-Promoting-Tax-Refund-Scheme-62046-1.html>

Top Canadian Tax scams:

[http://www.cra-arc.gc.ca/nwsrm/txtps/2012/tt120323-eng.html?utm\\_source=twtr&utm\\_medium=scl\\_md&utm\\_campaign=](http://www.cra-arc.gc.ca/nwsrm/txtps/2012/tt120323-eng.html?utm_source=twtr&utm_medium=scl_md&utm_campaign=)

Toronto Tax preparer guilty of \$1 million dollar fraud scheme:

<http://www.marketwire.com/press-release/-1634422.htm>

BC notary accused of \$83 million Ponzi scheme:

<http://www.cbc.ca/news/canada/british-columbia/story/2012/04/04/bc-ponzi-scheme.html>

Royal Bank of Canada under scrutiny from US regulator for "washed trades":

[http://www.msnbc.msn.com/id/46932726/ns/business-world\\_business/#.T3tWBPUcbJl](http://www.msnbc.msn.com/id/46932726/ns/business-world_business/#.T3tWBPUcbJl)

The Global Payments and Heartland data breaches are analyzed:

[http://www.bankinfosecurity.com/articles.php?art\\_id=4658&rf=2012-04-06-eb&elq=093d1a06d9f9478b88fdceceb988e9d5&elqCampaignId=3183](http://www.bankinfosecurity.com/articles.php?art_id=4658&rf=2012-04-06-eb&elq=093d1a06d9f9478b88fdceceb988e9d5&elqCampaignId=3183)