



CONTACT NUMBERS FOR THE 2012 BOARD OF DIRECTORS

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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.

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

On behalf of your Board of Directors, I would like to thank all the members who attended and contributed to our wonderfully successful May Training Day. Thanks to the generous sponsorship of BDO Canada LLP, the most engaging speakers and your well-informed participation. I believe this was one of our most exciting and educational gatherings. The well-earned PD points added icing to the cake! We are most appreciative of the efforts of our Board and administration in organizing this event. Thanks, too, for completing the evaluations. Your comments are being reviewed and your suggestions will be taken into consideration when the planning commences for the next event.

We have an addition to the Find a Fraud Examiner section of our website. Please do provide your comments related to the Job Posting page. Your Board is very interested in the areas our members are involved with so please contribute to our CFE Member Profile or if you come across publications of interest - share with us.

Please support your newsletter and our functions as your Board is committed to capacity building and a positive presence in our business community. Outreach is the name of our game. See you all on June 27 for our lunch meeting at the Terminal City Club in Vancouver.

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





VANCOUVER CFE CHAPTER LUNCHEON

When: Wednesday, June 27, 2012 at Noon

Speaker: John Dumfries CGA, CFE, CIA

Topic: An analysis of medical identity theft and health care fraud in BC, Canada and the US

Where: Terminal City Club

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

To register:

Email: 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.

The next chapter luncheon will be on September 26, 2012 also at the TCC. Topic and Speaker to be determined.

For more information:

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

Upcoming events:

23rd Annual ACFE Fraud Conference & Exhibition in Orlando, Florida June 17 to 22, 2012

For more information: FraudConference.com

Canadian Fraud Conference in Ottawa, Ontario October 28 to 31, 2012

For more information:

<http://www.acfe.com/events.aspx?id=4294972559>

May presentation summaries

Ethics Survival tips for the busy CFE by Linda Murray

The ACFE manual states that there are three elements to ethics:

1. Questions requiring reflective choice
2. Guidelines of right & wrong (moral principles)
3. Values inherent in ethical decisions

Why do we need ethics?:

- Provide benchmark or standard
- Clarify expectations for professionals & Self-Regulatory Organizations (SROs)
- Inform the public of expectations for professionals
- Provide means for SROs to enforce standards of conduct to ensure public confidence & meet mandate
- Achieve business & other strategic objectives

Eight guiding principles of ACFE Code of Professional Ethics:

1. Professionalism
2. Illegal conduct
3. Integrity & competence
4. Court orders and testimony
5. Reasonable evidentiary basis for opinions
6. Confidential information
7. Complete reporting of material matters
8. Ongoing professional improvement & competence

How to avoid problems:

- Know your obligations – keep your obligations
- Be true to yourself and your values
- Avoid conflicts of interest and ethical issues

She then covered the specific ethical issues such as undercover operations, bribes, unlicensed software, theft of office supplies, offering discount services, errors in favour of your client and loan sharks among others.



May presentation summaries continued

Major case management by Don Adam

Each step of a criminal investigation must be documented and controlled.

Nine principles of Major case management:

1. The command triangle
2. Management considerations
3. Crime solving considerations
4. Leadership and team building
5. Legal considerations
6. Ethical considerations
7. Accountability
8. Communication
9. Forming a partnership

Foundation thinking:

- What did I know?
- When did I know?
- What did I do about it?

Communication in an Adversarial Situation by Jamie MacDonald (Toastmasters)

Jamie MacDonald conducted an interactive presentation about adversarial situations and integrity. One takeaway from his speech is look at the other person that they are not an adversary. Jamie also went into great detail about integrity which is hard to define. For more information: <http://cfevancover.com/file/download/35>

Structured Interviewed Process by Constable Greg Yanicki

Cst. Yanicki provided the following tips about interviewing:

- Build rapport/bonding
- In a way, lies are good, just as good as proof
- The interview room should be private with minimum distractions
- Small talk helps bonding but also reveals information about the suspect, such as, personality, attitudes, concerns and mental state

Structured Interviewed Process by Constable Greg Yanicki continued

Pure Version statement:

Pure version statement forces the subject to tell the story in his own words without interruption. Other tips:

- The interviewer's role is to set the stage for the subject to talk and then listen
- There is no difference between witness and suspect
- Use the subjects own language
- Pace yourself
- People don't like silence
- Ask subject to repeat story in reverse order, a liar will find it challenging

Behavioural observation questions provide the interviewer with an indication of deception or truthfulness.

For more information:

<http://cfevancover.com/file/download/34>

Commercial Crime Prosecution by Hank Reiner

Hank Reiner informed of us of the Charles Kembo case, where 4 people were killed so the killer could commit identity theft. Kembo was only able to take advantage of one of his victims. The prosecution faced the challenge of proving that Kembo stole the identity of one of victims although a body was not recovered. Kembo created Businesses just to fraudulently claim GST input tax credits.

Rosanne Terhart, a board member of the ACFE Vancouver chapter (and now with BDO Canada LLP), aided the prosecution in determining when the identity was stolen by using concepts such as identity value, based on credit limits, previous and post spending activity and new account activity.



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 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.

In The News

Office of the Superintendent of Financial Institution is going to relinquish its tough stance on mortgage lending: http://www.thestar.com/business/article/1207100--banking-watchdog-backs-off-its-get-tough-approach-to-mortgage-lending#.T8_qkY6WNoQ.twitter

It's the 10 year birthday of Sarbanes Oxley in the US: <http://www.accountingtoday.com/news/Internal-Controls-Improved-Sarbanes-Oxley-62863-1.html>

Hockey season has been over for the Canucks for a while but fraud season never ends: <http://www.vancouver.sun.com/Minor+hockey+official+wife+accused+fraud/6719948/story.html>

Two BC men admit to market manipulation per the BCSC: <http://www.bcsc.bc.ca/release.aspx?id=14882>

Madoff HR officer pleads guilty: http://www.nypost.com/p/news/business/feds_madoff_hr_guy_guilty_plea_C2191fCegAyoGv1LUt8ZNM

US prosecution seeks 230 years for Stanford (He will be in jail and therefore miss Haley's comet and Venus passing the sun again): <http://www.reuters.com/article/2012/06/06/stanford-ponzi-idUSL1E8H6M8M20120606>

SEC Staff Ends Probe of Lehman without Finding Fraud: <http://www.bloomberg.com/news/2012-05-24/sec-staff-said-to-end-lehman-probe-without-recommending-action.html>

"F is for fraud" US pulls aid after allegations of corruption in the production of Pakistan version of Sesame Street. I heard the Count detected the breach and is now investigating. http://www.vanityfair.com/online/oscars/2012/06/sesame-street-pakistan-fraud-corruption?mbid=social_retweet



Books about white collar crooks

This month's choice is "Liespotting" by Pamela Meyer. Ms. Meyer will be presenting at the 23rd Annual ACFE Fraud Conference & Exhibition in Orlando, Florida June 17 to 22, 2012. For more information: [FraudConference.com](http://www.acfe.com) and <http://www.acfe.com/products.aspx?id=4294971125>.

Liespotting introduces the BASIC method which combines facial recognition with advanced interrogation techniques:

- Monitor **Baseline** behaviour of the interviewee their voice, their laugh, posture, gestures, reaction times and expressions
- **Ask** open ended questions
- **Study** clusters of behavior
- **Intuit** the statement, logical and behaviour gaps
- **Confirm** – once you think you have been deceived as ask many questions to make certain that you are right

She also mentions several "liespotting" tips:

- Watch for asymmetry in a person's gestures and expressions
- Look for split-second flashes of emotion on a person's face (facial micro-expressions)
- Liars tend to rehearse their words not their gestures
- Liars tend to cease using gestures or moving their upper body
- Allow yourself to get a clear view of a person's face, body and legs when questioning him about possible deception
- Keep an ear out for generalizations and estimations
- Make a liar retell the story

Newsletter article quiz

According to the Toronto Star article regarding OSFI, what percentage of their home values will Canadian homebuyers be restricted to borrow?

Send answer to newsletter@cfevancouver.com for a chance to win a \$20 Starbucks gift certificate.

Member News

Annette and Steve Bieberstein are happy to announce the birth of their son Trevor Steven Bieberstein. Trevor Steven was born on May 3, 2012 and weighed 6 pounds one ounce.

In Memory

We are deeply saddened at the sudden passing of Jeff Burton. Jeff was an active member of the anti-fraud community and had been a frequent speaker at the ACFE's Canadian Conferences and one of our Chapter's recent guest speakers. Jeff, born May 13, 1942 in Keighley, Yorkshire, England, Passed away unexpectedly on May 21, 2012 at Peace Arch Hospital, White Rock. Following 11 years of civilian service with London's Metropolitan Police Force, Jeff left his position as High Executive Officer at New Scotland Yard to immigrate to Canada, joining the Vancouver Police Department on February 14, 1972, where he served as an officer for more than 30 years including being a detective in the Financial Crime Section.

Upon retirement, Jeff continued his work in anti- fraud education through the British Columbia Crime Prevention Association (7 years) including specific presentations to businesses under the Mind Your Own Business program. He was a member of the International Association of Financial Crimes Investigators and authored "The Burton Report". Jeff had a strong sense of civic duty and community service, volunteering for organizations such as the 38th B-P Guild.



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

LinkedIn: http://www.linkedin.com/groups?gid=3964400&trk=hb_side_g

CFE member profile – Cst. Steve Wilson

Steve Wilson is currently a member of the Delta Police Department and is an advocate of fraud investigation. Steve is also a Certified Fraud Examiner (CFE) and is currently enrolled in the Forensic Investigation and Technology Degree Program at the British Columbia Institute of Technology. With several years of investigative experience, Steve is currently specializing in the areas of risk management, due diligence and competitive intelligence.

Steve Wilson believes that being a member of the ACFE is one of the greatest opportunities for anyone interested in fraud investigation. Not only has Steve found the ongoing networking, resources and educational development conferences extremely beneficial, but also the certification as a CFE has also helped Steve with his career development and opened up the door to new opportunities.

June speaker bio – John Dumfries

John is a CGA and earned his CFE designation in 2005 and CIA designation in 2010. He has experience in accounting in small business as well as working with regulatory agencies, WorkSafeBC and the Real Estate Council of BC.

John has served on the board of the ACFE Vancouver chapter since December 2010 and has published the monthly chapter newsletter since then. He also has been updating content on the chapter's website www.cfevancouver.com since December 2011.

In 2011, John earned his Bachelor of Technology degree at BCIT while studying Forensic Accounting. The topic of his graduation project was an analysis of medical identity theft and health care fraud in BC, Canada and the U.S.

The impetus of the project was a May 2011 article in the Vancouver Sun that announced that the BC government planned on replacing the current health care cards with a new card with enhanced security features. One of the reasons for the new cards mentioned in the article was that currently there are 9 million health care cards in circulation compared to a population of 4.5 million. Due to this, it is a possibility that medical identity theft may occur. The new cards however will not help in reducing health care fraud such as internal theft (collusion) or billing services fraud. John wondered how medical identity theft was different from regular identity theft, how prevalent it was, and what solutions other jurisdictions in Canada and the US have implemented to mitigate medical identity theft.