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Vancouver Chapter Committee members were appointed on February 5, 2013.

ETHICS

David McCartney

MEMBERSHIP/OUTREACH LIAISON

Rosanne Walters

PROFESSIONAL DEVELOPMENT AND TRAINING

John Crawford /John Dumfries

NEWSLETTER

John Dumfries

SECRETARY

Carmen Wiechers

TREASURER

John Crawford

WEBSITE

John Dumfries/John Crawford

President's Message

On behalf of the ACFE Vancouver chapter Board of Directors, I would like to welcome chapter members and guests to participate in our half day training session and AGM on November 27th at the Terminal City Club.

The training session features three speakers: David McKay from BCIT (Digital Evidence), Chris Galloway from Central 1 Credit Union (Money Laundering) and Teresa Mitchell-Banks from BCSC (Securities Fraud Investigations).

I encourage attendees to stay after the presentations for the networking lunch and the AGM. The AGM is a great opportunity for you to learn about our past results and future initiatives. For the coming year we are excited to announce we have a full board consisting of six members standing for board reelection and three nominees new to the position.

Stayed tuned for exciting partnerships in 2014 that will help expand our membership and fraud prevention outreach; more to come in our next newsletter.

Our goal is to meet your needs as a chapter member and anti-fraud professional. Your voice is important. See you on the 27th!

For more details and to register refer to the events section of the newsletter and/or the events page on the website. www.cfevancouver.com/events.php

Rosanne Walters, CPA, CGA, CFE, CBV





Upcoming events:

ACFE Vancouver Chapter:

November 27th – Training session, AGM and lunch

Time: 8:30am to 1:30pm

Where: Terminal City Club 837 West Hastings Vancouver

Speakers & Topics (see page 3 for more information):

- David Mackay - Digital Video Evidence – When is a picture not worth a thousand words?
- Chris Galloway - The relationship between fraud and money laundering
- Teresa Mitchell-Banks – Securities Fraud Investigations

AGM to follow the presentations at approximately 11:45am and lunch to immediately follow the AGM.

Cost: \$100 plus tax training session, AGM and lunch.
\$40 plus tax AGM and lunch.

Details & Registration: <http://cfevancouver.com/events>

Speakers and topics subject to change

December 11th - Annual Christmas luncheon

Time: 12:00pm to 1:30pm

Where: Terminal City Club 837 West Hastings Vancouver

Cost: \$40 including GST for chapter members

\$50 including GST for guests and non-members

Features: Gift exchange, 50/50 prize draw and networking

Details & Registration: <http://cfevancouver.com/events>

Outside Training opportunities:

IIA Vancouver chapter:

December 16th, 17th RISK ANALYSIS

(PRO-ACTIVE, REAL and DATA CENTRIC)

Time: 9:00am to 5:00pm

Where: TBD

Speaker: Greg Duckert

Details and Registration:

<http://www.gifttool.com/registrar/ShowEventDetails?ID=1913&EID=15767>

Justice Institute of BC:

Refer to this link for Programs offered by the Justice Institute of BC: <http://www.jibc.ca/programs-courses/programs-glance>

The following link refers to Degrees, Diplomas and Certificates: <http://www.jibc.ca/programs-courses/degrees-diplomas-certificates>

The following link refers to upcoming events: <http://www.jibc.ca/about-jibc/news-events?show=events>

Editor's note:

Jean Michel will be compiling a list of 2013 PD hours for each chapter member and will be sending out a list to each member after the November 27th AGM and training session. Contact Jean at cfevancouver@yahoo.ca if you have any questions.



November 27th training session speakers

David McKay

David McKay, a licensed security consultant, is principal owner of Blackstone Forensics Ltd. He is also the program coordinator for the BCIT Forensic Science & Technology Program and instructor of BCIT's CCTV & Forensic Examination course. During his time as a forensic video analyst with the RCMP, McKay viewed and analyzed over 2,000 crimes and criminals caught on various video and image recording systems (CCTV, video cameras, cell phones, taxi-cams, still cameras, and computers). He has been an expert witness in both BC Provincial and Supreme Court in the field of forensic video technology, specifically the forensic analysis of video and digital images.

David obtained his Bachelor of Science degree from SFU in 2002, and most recently completed the security systems technician training program at BCIT in 2008. He is involved in a variety of research projects at BCIT, including the ability to extract specific measurements (height, size, distance, speed) from recorded images through the marriage of forensic imaging techniques and photogrammetric principals.

Digital Video Evidence – When is a picture not worth a thousand words?

Mr. McKay will discuss new techniques and technologies being used in the analysis and interpretation of video evidence. He will discuss what can be done to clarify and enhance poor quality video and what the untrained eye may miss during the interpretation of visual information. Best practices for maintaining the integrity of video and photographic evidence will be explored to ensure important information is not being lost or altered in the transition from the original recording device to the court room.

This session will address the true strengths and weaknesses of visual evidence and provide some practical applications on the most effective way to present video and photographic information for evidence purposes. New techniques on how to detect the tampering or editing of digital video and photographs will also be discussed.

Chris Galloway

Chris Galloway is the National Anti-Money Laundering/Terrorist Financing Officer at Central 1 Credit Union, the central financial facility and trade association for the BC and Ontario credit union systems in Canada. In this role, Chris acts as the primary contact for approximately 200 credit unions in relation to Anti-Money Laundering and Terrorist Financing ('AML/ATF') compliance, advising on suspicious activity pertaining to money laundering, policies and procedures, risk assessments and training programs amongst other AML/ATF matters.

Chris began his career within the financial services sector in 1998 in London, UK and since then he has worked for a number of large multinational banking corporations such as the Royal bank of Canada and ABN AMRO Bank NV in various different consultancy roles. These roles have allowed him to work across the globe in places such as the UK, Australia, New Zealand, the Netherlands and the USA prior to settling in Canada.

Teresa Mitchell-Banks

Teresa Mitchell-Banks, Q.C. is the BC Securities Commission's Director of Enforcement. She leads the commission's team of investigators and litigators who help protect the investing public through the investigation of complaints and the enforcement of the Securities Act.

Prior to joining the BCSC in October 2012, Teresa was with the BC Ministry of Justice, where she was the Deputy Director, Criminal Appeals and Special Prosecutions. At the Ministry, she managed a group of lawyers dedicated to special prosecutions, including commercial crime, serious fraud, and organized crime. She has also been a senior trial counsel for the Ministry, and a defense counsel in private practice.

Teresa holds a law degree from UBC, and a Masters in Criminology from SFU.

The BCSC is the independent provincial agency responsible for regulating trading in securities within the province.



Find a Fraud Examiner

The Vancouver Chapter website has a section called **Find a Fraud Examiner** where members in private practice or those willing to take outside jobs can advertise.

<http://cfevancouver.com/examiners>

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 and Cell Phone #:

Fax:

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 Job Postings

A feature of the website is a Jobs Posting page. We are offering a free posting to any companies who have at least one employee as a member of our chapter.

Check out the posting for a Field Investigator at WorkSafe BC. www.worksafebc.com/careers

To post a position, contact John Dumfries at website@cfevancouver.com.

Books about preventing white collar crooks

This month's featured book is "Financial Statement Fraud - Strategies for Detection and Investigation" by Gerald M. Zack. It is for sale on the ACFE website, click on the link below for more information.

<https://www.acfe.com/products.aspx?id=4294976955>

The book covers revenue based schemes such as:

- Timing schemes
- Fictitious or inflated revenue schemes
- Misclassification schemes
- Gross-up schemes

Asset based schemes such as Improper Capitalization of Costs and Asset Valuation Schemes are included. Shifting expenses to future periods and Omission and underreporting of liabilities examples are also featured in the book.

Specific case studies include:

- Adelphia Communications Corp.
- Bristol Myers Squibb
- Enron
- Koss Corporation
- Olympus Corporation
- Parmalat Finanziaria SPA
- Qwest Communications
- Raytheon Co.
- Satyam Computer Services Ltd.
- Tyco International
- Vivendi Universal SA

If you are looking for Canadian content then this book won't disappoint as an example regarding Bank of Montreal involving the valuation of natural gas options which resulted in a \$247 million restatement of earnings. Another Canadian story is the late 1990s Livent case which involved an expense capitalization scheme.



Financial Statement Fraud summary continued

Detection and Investigation techniques:

- Understanding the motives behind financial statement fraud, so that its warning signs can be recognized early.
- Recognizing the red flags of financial reporting fraud.
- Using a variety of ratios and other analytical tools as elements of a financial statement fraud detection program.
- Addressing the issue of intent.

Motives for Financial Statement Fraud may include:

- To meet earnings expectations
- To satisfy borrowing requirements
- To qualify for bonuses or other compensation incentives
- To maximize a price in an acquisition.
- To maximize a stock price in an initial public offering
- To appear stable
- To reduce the value of a business in divorce cases

Use of Analytical Techniques to detect fraud:

- Horizontal and Vertical Analysis
- Budget variance analysis
- Ratio analysis
- Benford Analysis
- Non-financial data ratio analysis (number employees, square footage of a store or warehouse, item quantities sold, number of customers or sales transactions)
- Other ratio analysis such as M-Score, F-Score, Altman Z-Score, Gunning Fog Index (applied to readability to financial statement disclosures)

- *by John Dumfries*

Latest news from the BC Securities Commission:

September 2013 enforcement roundup:

http://www.investright.org/news_post.aspx?blogid=213&id=1004

October 2013 enforcement roundup:

http://www.investright.org/news_post.aspx?id=1028&blogid=213

Use new CSA resources to “Check Before You Invest”:

http://www.investright.org/news_post.aspx?id=1022&blogid=213

New InvestRight Guide gets down to the brass tacks of investing - See more at:

http://www.investright.org/news_post.aspx?id=1020&blogid=213

How to identify fraudsters:

<http://www.befraudaware.ca/identify-con-artists>

Link to BCSC videos: <http://www.befraudaware.ca/fraud-watch>

Stay connected with BCSC InvestRight:

Subscriptions: <http://www.investright.org/subscriptions.aspx>

Facebook: <https://www.facebook.com/BCSCInvestRight>

YouTube:

<http://www.youtube.com/user/BCSCInvestRight?feature=watch>

Twitter: <https://twitter.com/bcscinvestright>

Mobile App: <http://www.befraudaware.ca/app>





2013 Global Fraud Survey chapter contest

The [2013 Global Fraud Survey](#) is in full swing, and we are running a little friendly competition to try and encourage you and the CFEs in your chapter to participate.

The information collected in the survey will be compiled in the 2014 *Report to the Nations on Occupational Fraud and Abuse*. The *Report to the Nations* is one of the most widely quoted sources on white-collar crime statistics in the world.

We realize that information regarding your past fraud investigations may be sensitive, but please be assured that the survey does not require you to identify yourself, the victim, the perpetrator, or any other parties. Additionally, we will not publish or distribute any information that could identify anyone involved in the case.

The more responses we receive to the Global Fraud Survey, the more useful the data contained in the *Report to the Nations* will be. That's where the competition comes in. Your chapter could win a prize package valued at \$1,500. So that both large and small chapters can compete and be contenders, we will have two winners:

- The chapter that submits the highest number of completed responses to the survey
- The chapter that has the highest percentage of CFEs submit completed responses

As part of the survey, participants will be asked to which chapter they belong. The prize package, which can be used for fundraisers, raffles, or other chapter activities, will include:

- One copy of the CFE Exam Prep Course
- One copy of the Corporate Fraud Handbook, Fourth Edition
- ACFE Merchandise and selected ACFE self-study courses

The deadline is December 2, 2013 for submissions.

- *By James D. Ratley, President and CEO - ACFE*

ACFE now always at your fingertips

You can now stay connected to the ACFE and its services via the new ACFE app available for iPhone.

You can access almost anything that you'd normally need from ACFE.com, including:

- Videos and podcasts
- The latest fraud news
- Templates and sample documents
- Anti-fraud training and other resources

Go to <https://www.acfe.com/App/> to see screen shots and obtain the download link, or search for ACFE in the APP Store.

Stay Connected with the ACFE Vancouver Chapter and fellow chapter members

Chapter members and members of the public are able to connect with the ACFE Vancouver chapter via social media sites such as Twitter and LinkedIn. To find out about Professional Development events, job postings, network with fellow members and keep up to date with the latest fraud news add/follow us on social media sites. Keep checking the chapter's website for up to date content www.cfevancouver.com.

Twitter: http://twitter.com/#!/ACFE_Vancouver

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



In the news:

Another audit failure:

<http://www.accountingtoday.com/news/SEC-Charges-Audit-Firm-Accountants-Failing-Properly-Audit-Chinese-Companies-68605-1.html>

Bank teller commits elder fraud and abuse, identity theft:

<http://www.smdailyjournal.com/articles/news/2013-11-07/pair-take-deal-for-elder-theft-identity-theft/1776425112930.html#.UnvaZiL1v7k.twitter>

US Visa bribery scam:

<http://www.canadianbusiness.com/business-news/former-us-visa-chief-pleads-guilty-to-receiving-3-million-in-bribes-for-visas-in-vietnam/>

Senators suspended for improper expense claim:

<http://www.cbc.ca/news/politics/suspended-senators-to-lose-credit-cards-phones-offices-1.2417271>

Senator audits cost as much as disputed expenses:

http://www.theprovince.com/news/national/Audits+four+senators+cost+much+expenses+they+paid+back/9112535/story.html?utm_source=dlvr.it&utm_medium=twitter

Link to new KPMG report Profile of a Fraudster:

<http://www.kpmg.com/UK/en/IssuesAndInsights/ArticlesPublications/NewsReleases/Pages/Invisible-criminals-to-replace-people-as-biggest-perpetrators-of-fraud.aspx>

Insurance fraud scam victims seek restitution:

<http://abcnews.go.com/Business/victims-25m-death-insurance-scam-awaiting-restitution/story?id=20797644#.UnrBp9i94SE.twitter>

Elder Fraud and abuse prevention tips:

<http://www.yorktonthisweek.com/article/20131106/YORKTON0101/131109931/-1/YORKTON/seniors-need-to-be-wary-of-fraudsters>

25% of data breach victims become victims of ID theft:

<http://www.itproportal.com/2013/11/05/one-quarter-of-data-breach-victims-suffer-identity-theft/>

In the news continued:

Link to PWC report on AML programs:

http://www.accountingtoday.com/debits_credits/PwC-Sees-Problems-Anti-Money-Laundering-Programs-68565-1.html

Ex-Strata member gets house arrest for embezzlement of

Condo funds: <http://www.cbc.ca/m/touch/canada/british-columbia/story/1.2356106>

Online fraud costs more than \$100 Billion:

http://www.theguardian.com/technology/2013/oct/30/online-fraud-costs-more-than-100-billion-dollars?CMP=tw_t_gu

Ontario lawyer suspended for real estate fraud:

<http://thechronicleherald.ca/novascotia/1165022-ns-ontario-suspend-lawyer#.Unf0PMLXDxs.twitter>

Quebec firm faces 996 charges of tax evasion:

http://www.thestar.com/news/canada/2013/11/04/quebec_firms_hit_with_996_charges_in_tax_evasion_case.html

Fraud Investigator Breaking Bad part 2:

http://www.cps.gov.uk/news/latest_news/husband_and_fraud_investigator_wife_sentenced_for_885000_gift_aid_fraud/

Transit police bust counterfeiting operation:

http://www.theprovince.com/news/Transit+police+bust+counterfeiting+operation+that+allegedly/9114387/story.html?utm_source=dlvr.it&utm_medium=twitter

Ex-Madoff employee not aware of fraud:

http://www.nj.com/business/index.ssf/2013/10/ex-madoff_employee_wasnt_aware.html

Japanese regulator to inspect big banks with possible mob

links: <http://bigstory.ap.org/article/japan-inspect-big-banks-after-mizuho-mob-links>

EI investigator let go for leaking details:

http://www.thestar.com/news/canada/2013/10/24/ei_fraud_investigator_axed_for_leaking_quota_details.html