



Vancouver Chapter

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NEWSLETTER AND WEBSITE

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ACFE Vancouver Chapter April 2014 Edition

President's Message

Teaming up with the Justice Institute of BC (JIBC) for a half-day training session on May 28th is an exciting event we can all look forward to. It not only gives us members the opportunity to broaden our awareness of current investigative tools and practices, but also allows us interaction with students who need a wider exposure to the fight against fraud.

I encourage early registration as space is limited. This year we will be reaching out to 500 JIBC students. As a valued member of the Chapter, you receive a discounted price of \$60 and the option of bringing one guest for the same price.

Our presentations include experts from the private sector such as Toddington International, as well as those from the Department of Employment and the Ministry of Social Development and Innovation. Attending this training class will provide you with 3 CPE points.

As a professional and a member of the ACFE Vancouver Chapter you represent the face of fraud prevention, so your presence is important. I look forward to seeing each of you on May 28th - Register now to save your spot!

Carmen Wiechers, CFE
President, ACFE Vancouver Chapter





You are invited!

Broaden your awareness of current investigative tools and practices used by anti-fraud experts and benefit from interacting with experienced presenters and professionals.

The Vancouver Chapter of the Association of Certified Fraud Examiners (ACFE) and the Justice Institute of BC (JIBC) invite you to a half day training session on May 28th, 2014.

Fraud Investigation Tools

Date: May 28, 2014

Time: 8:00 am to 12:30 pm

Venue: Justice Institute of BC, (Main Theatre)

715 McBride Blvd, New Westminster

Topics: **Federal Benefits Fraud: Investigation Tools and Indicators**

David Quail, Department of Employment and Social Development Canada

Social Assistance Fraud: Strategy, Response and Tools

Scott Deschamps, Ministry Investigator, Special Provincial Constable

Indicators of Financial Crime and Money Laundering

Mike Ryan, Senior Associate, Toddington International Inc.

Cost: \$60 Vancouver Chapter ACFE Members (*Pricing is extended to one guest*)

\$80 Non-members

Register Now!

Space is limited for this event, register before May 23rd to secure your spot!

Speaker biographies and a detailed **schedule** can be found at the Vancouver ACFE Website.

Chapter Announcements:

Chapter members and the public are able to connect with the ACFE Vancouver Chapter via Twitter and LinkedIn. Find out about events, job postings, and keep up to date with the latest fraud news. Check 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

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 ACFE Vancouver Chapter member and you would like your name and contact information on our website, please send us your contact information to us at website@cfevancouver.com.

Website Job Postings

We are offering a free posting to any companies who have at least one employee as a member of our chapter. To post a position, contact John Dumfries at website@cfevancouver.com.

April newsletter contest details:

Refer to the March newsletter and match the number in the picture to the person's name in the bio to win a prize from Pacific Blue Cross. The contest is open to anyone except for Chapter board members and Pac Blue employees. Send your answers to newsletter@cfevancouver.com.

Upcoming Events:

Mark your Calendars!

May 28th : Half Day Training Session at JIBC

June 19th : Networking event

September 24th : Training session and luncheon

November 26th : Training session and AGM

December 17th : Christmas luncheon

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>

Call for Speakers

The ACFE Vancouver chapter is looking for speakers for our November 26th event, please contact Carmen at cwiechers@savers.com if you are interested and available.

The ACFE is looking for speakers for the *2014 ACFE Canadian Fraud Conference*, September 7-10, in Toronto.

If you would like the opportunity to be recognized as a thought leader in the Canadian anti-fraud community while participating in the biggest anti-fraud event in Canada, [submit a proposal](#) to speak for the ACFE.

The deadline for proposals is May 1, 2014.

March 26th Speaker Summary

Thank you to Detective Mark Fenton, VPD, who spoke to us about his experience investigating cybercrimes.

The following is a summary of his presentation:

The scammers creed: Anyone can be scammed (lawyers, dentists, etc), it just takes the right bait at the right time.

Types of scams include: lottery, inheritance, work from home, telebanking, 419 letters, confirm password, etc. (look in your inbox).

Cybercrime is a \$1 billion/year industry.

The typical cycle for cybercrimes:

- 1) Start in West Africa (Nigeria, Ghana, Ivory Coast) in internet cafes;
- 2) Personal info is transferred to others in Canada, UK, Netherlands to contact the victims (better knowledge of english, technology, cultural understanding, banking laws);
- 3) Money is sent to banking contacts in Asia (laxer banking laws) to open accounts; money goes back to Canada, UK, Netherlands and then back to West Africa;
- 4) Money is removed along the way and 'layered' (used to buy equipment, businesses).

Although it can be difficult to gather information, investigators can use resources such as Global Block Watch, an online site where they can make contact with people, to help identify and investigate cybercrimes. Investigators can get real time information on ongoing scams, suspect , account and credit card information - indications of potential terrorist activities. Facebook is also a great resource to gather personal information about suspects.

Team work is key but it can be hard to get cooperation from other police agencies since they have their own priorities. These crimes involve millions of dollars per month so it is worthwhile to try to interest other agencies.

Toronto and Houston seem to be hubs. It is hard to get banks, Crown and other agencies to assist due to cost, activities out of the jurisdiction, etc. Cybercrime is seen as a "victim perpetrated crime" so it is a lower priority for most policing agencies. Since there is no criminal offence of hacking in Russia or China, there is no reciprocating offence so the police have to wait until the person leaves those areas.

Success stories include the following:

- 1) 2007 OPP arrests a large counterfeit cheque lab. 55,000 complaints, 220,000 cheques, victims across Canada, but funds were not recovered since already outside of Canada.
- 2) Operation Pacific Wire 2010 with US Secret Services where a 'refugee' with homes all over, millions/month, was indicted in the US for a \$50 million fraud. He fled Canada and returned to Nigeria but was eventually extradited to the US and plead guilty.

Other recent advanced e-frauds involve lawyers, fake invoices, and realtors. In the case of lawyers, an email is sent to the lawyer from a 'client' claiming to be employed, had an injury, wants to sue, and needs a lawyer. When the lawyer asks for ID, the West Africa person transfers the lawyer's info to others in Canada/UK for more sophisticated stolen ID to be provided. The 'client' tells the lawyer he will put him in touch with the insurance company to negotiate a settlement. The 'insurance company' appears to be real and sends a 'settlement cheque' to the lawyer, who deposits it to his trust account, then sends 'clean' money to the 'client'.

What can we do to prevent it? **Verify, verify, verify.** If it looks too good to be true, it is. Google the person's name, plus 'scam' to see if there are groups out there with info regarding a scam. Call the company (re invoices) or the bank (phishing emails). Do your due diligence.

Mark Fenton's contact info: mark.fenton@vpd.ca or (604) 717-2565.

Prepared by Linda Murray, CFE

Books about White Collar Crooks

This month's featured book is titled "[Billionaire's Apprentice: The Rise of the Indian-American elite and the fall of the Galleon Hedge Fund](#)" by Anita Raghavan.

It is a well-researched book that describes the rise and fall of Raj Rajaratnam, who received 11 years, the highest prison sentence for insider trading. Rajaratnam also paid a fine of \$2.8 million.

The book also mentions the trials and sentencing of the "insiders" who helped Mr. Rajaratnam beat the system. For a person to be charged with insider trading, it must be proved that they had material non-public information and acted upon that information.

Some interesting tidbits include:

Rajaratnam was on the SEC's radar in the 90s and paid a \$2 million fine in 2005 for improper short selling.

The SEC can subpoena all trade diaries, books, calendars and emails. The US attorney office was able to use wiretaps in its investigation.

People deposed by the SEC have three options:

- 1) Tell the truth, which could lead to the SEC bringing a case against them.
- 2) Invoke their right against self-incrimination and plead the Fifth Amendment which the SEC could present to an administrative law judge in any future civil case.
- 3) Or they can lie.

Get Involved!

We welcome your ideas and input to make the Chapter newsletter a valuable resource for all members. Please send comments or contributions to us at:

newsletter@cfevancover.com

Latest news from the BC Securities Commission:

[Click](#) on the headlines below to read more:

[March 2014 enforcement roundup](#)

[Canadian Securities Regulators enters into agreement with CFTC to enhance cross border supervision](#)

[BCSC publishes new securities crowdfunding exemption for comment](#)

BC Securities Commission Resources:

[Financial Literacy: Comics, videos, and other online resources](#)

[Upcoming hearing schedule](#)

[Disciplined persons list](#)

[Use new CSA resources to "Check Before You Invest"](#)

[How to identify fraudsters](#)

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In the News:

We endeavour to keep you updated on the latest fraud news and stories from around the world.

[Click](#) on the headlines below to read more:

Canadian Tax News:

[CRA fires staff for privacy violations](#)

[900 Social Insurance Numbers compromised due to CRA Heartbleed bug](#)

[CRA now reviews 100% of all tax shelters](#)

[CRA criminal investigation stats](#)

[Fraud centre receives complaints about fake tax refunds](#)

[CRA largest source of data breaches](#)

[Six arrests in alleged tax shelter scam in Toronto](#)

[Charitable tax shelter schemes cost donors thousands](#)

Canadian News:

[Alleged Richmond credit card factory busted](#)

[Cdn. Government worker earns whistleblower award](#)

[Alleged \\$3 billion penny stock fraud involving a Montrealer](#)

[Canadian ponzi schemer pleads guilty in the US](#)

[OSC seeks wiretap powers for insider trading cases](#)

[Livent auditor ordered to pay \\$84.8 million fine for failing to detect fraud](#)

[Nearly 1/3rd of all businesses are fraud victims. CFEs Pat McPharland and Jim Blatchford are featured in this article.](#)

International news:

[Australia too soft on white collar crime?](#)

[Two men caught in Vatican bank fraud attempt](#)

[Financial cost of Health Care Fraud in the UK](#)

Across the Border news:

[US to seek trial in lawsuit against Standard & Poors](#)

[US charges 25 in Florida for \\$36 million ID theft and tax refund fraud](#)

[FINRA arbitrator had bogus credentials](#)

[Credit Suisse in \\$885 million US lawsuit settlement](#)

[Madoff jurors said that his staff were willing soldiers](#)

Across the Border Tax news:

[IRS phone scam](#)

[IRS paying out less in whistleblower claims](#)

[Stopped ID tax fraud reaches 1 million](#)

[US Tax Fraud Blotter](#)

[Protect yourself from tax refund theft](#)

[IRS releases investigation report](#)

[IRS employee brought home unsecured data of 20,000 fellow employees](#)