



# Vancouver Chapter

## CONTACT NUMBERS FOR THE 2009 BOARD OF DIRECTORS

Colin Parcher	604 953 5232
Pat McDowell	604 628 3425
Jo Orton	604 605 5385
Carmen Wiechers	604 562 8938
Russ Lefler	604 214 4893
Jim Blatchford	604 443 2125
Kim Marsh	604 633 1750
Shane Troyer	604 640 4957
Annette Arnott	604 661 2713
Linda Murray	250 760 0516
Jean Michel	604 682 1562

## VANCOUVER CHAPTER COMMITTEES

Following are the Chairs and committee members for each committee as agreed at our first board meeting of the new year.

### ETHICS

Linda Murray

### MEMBERSHIP/OUTREACH LIAISON

Jim Blatchford  
Shane Troyer

### NEWSLETTER

Pat McDowell  
Annette Arnott  
Russ Lefler

### PROFESSIONAL DEVELOPMENT AND TRAINING

Kim Marsh  
Colin Parcher

### WEBSITE

Russ Lefler  
Agnes Lee  
Pat McDowell

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.

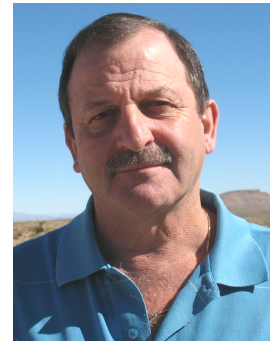
Contact the committee chair directly or send an email to:

[information@cfevancouver.com](mailto:information@cfevancouver.com)

## PRESIDENT'S REPORT

Is it summer yet? After December's snow came January's fog; not sure which I preferred the least but I am glad they both moved eastward. Mind you, the traffic headaches with the Pattullo Bridge being closed were very entertaining, to say the least.

For the Chapter this has been a relatively quiet month. We had intended to have our board planning session in late January however due to work commitments and scheduling conflicts this has been moved into February.



We have aggressively begun organizing the *IIA/ACFE Joint Fraud Conference* on April 1-2, 2009 to be held at the Empire Landmark Hotel on Robson. This year the conference will be hosted in the hotel's main ballroom and the reception will be in the refurbished Cloud 9 revolving restaurant on the 42<sup>nd</sup> floor.

We have a number of speakers already lined up; one of which is Ms. Rebecca Busch the President and CEO of Medical Business Associates out of Chicago. Rebecca is an expert in health care fraud, author of several books and one of the top speakers for the ACFE National Conference. You can learn more about Ms. Busch at [www.mbanews.com](http://www.mbanews.com).

The planning committee is meeting bi-weekly at this point as we organize speakers, marketing, and sponsorship. With the economy in mind we have maintained the same pricing structure as our 2007 conference. As well, we decided that this year rather than seeking large sponsorship, we would be looking for a number of smaller sponsors. This will reduce the financial impact on the various organizations that regularly support these events and allow smaller companies to participate and market themselves to the various individuals who attend the conference.

If you are interested in sponsoring the conference we have a number of spots still available at a cost of \$500. For further information on the benefits of sponsorship please contact Kim Marsh (604) 633-1750 or Jim Blatchford (604) 443-2125.

On January 20, 2009, I had the pleasure of attending the Kwantlen Polytechnic University Awards Dinner at the River Rock Resort & Casino where I presented the Vancouver Chapter's, "*Certified Fraud Examiners Wayne McIlroy Memorial Scholarship*" to the 2009 recipient, Stephen Svennes. In making this presentation I was accompanied by the late Wayne McIlroy's widow, Ms. Vickie Lingle. It was a great evening and good to see the look of sincere appreciation on the faces of the students receiving their various awards.

Stephen is a mature student who is just finishing his degree in the Criminal Justice program and is looking to continue his career in policing or the parole service. I also noted that Stephen received two other awards, one which was in honour of the late Ken Doren who I worked with many years ago. Ken passed away suddenly while attending a conference in the United States a few years ago.

Stephen was very appreciative and on behalf of the Vancouver chapter I wished him well in his future endeavours.

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## UPCOMING EVENTS

### MONTHLY LUNCHEON

Our monthly luncheons are held, unless otherwise indicated, on the fourth Wednesday of each month. The Hornby Banquet Centre is above the Keg at Hornby and Dunsmuir, on the 3<sup>rd</sup> floor.

**When:** Wednesday, February 25, 2009

**Time:** 12:00 Noon

**Speaker:** **Brett Hallgren**, of  
Forensic Video Solutions  
(see Bret's bio on page 4)

**Topic:** Video Forensic Solutions

**Where:** Hornby Banquet Centre  
595 Hornby Street,  
Vancouver

**Price:** \$20 members and students,  
\$30 for non-members

Contact Jean Michel to register today, send email to:  
[luncheon@cfevancouver.com](mailto:luncheon@cfevancouver.com)

Visa™ and MasterCard™ accepted.

## NEW CFES

Below are fraud professionals who have recently received their CFE designations:

- Ms. Shuli Ben-Moshe, CFE and
- Ms. Gail Grant, CFE

Our heartiest congratulations go out to our new CFES. We know what a lot of hard work and determination goes into such a feat!

Both new CFES have been asked to provide short biographies which will be included in the newsletter in upcoming months.

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*I love deadlines. I like the whooshing sound they make as they fly by.*

*Douglas Adams*

## PRESIDENT'S REPORT (CONTINUED)

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At this time I would also like to take a moment to address those of you in the Greater Vancouver area who read this newsletter on the website but do not belong to our Chapter. The ACFE is a great organization that provides a number of benefits to both designated Certified Fraud Examiners (CFE) and associate members all over the world.

The Vancouver Chapter is one of the ACFE's most dynamic chapters and the recipient of the 2008 Chapter of the Year award. Membership in the Vancouver Chapter is only \$65.00 (plus GST) per year, renewable in September. (See our website [www.cfevancouver.com](http://www.cfevancouver.com) or contact Jean Michel at [membership@cfevancouver.com](mailto:membership@cfevancouver.com) for details.)

As a CFE you are not required to be a member of the local Chapter, nor do you need to be a CFE to belong to the Chapter. However, we would like to encourage you to become an affiliate member of the Vancouver Chapter as there are many benefits. These benefits include, but are not limited to; discount pricing for monthly luncheons and other Chapter sponsored training events including the upcoming Joint IIA/ACFE Fraud Conference. Attending such events allows you to accumulate hours that fulfill continuing professional educational (CPE) requirements for a number of different designations. While the Vancouver Chapter encourages everyone to become an associate of the world body and pursue their CFE designation, we also encourage you to become a member of the Vancouver Chapter. The most important benefit of membership is that it provides you with a network of over 170 other local anti-fraud professionals.

In closing I encourage everyone to mark April 1 & 2, 2009 on their calendar as well as our next luncheon date of February 25, 2009.

As always thank you to Pat McDowell, Russ Lefler, and Annette Bieberstein (Arnott) for their work on this newsletter, to the entire board for their guidance and assistance and to you the membership for supporting the Vancouver Chapter.

I look forward to seeing you at the February luncheon and remember to bring a friend or colleague, they may become a member. ■

*Colin G Parcher CFE  
President, Vancouver Chapter*

## "FREE LUNCH" PROGRAM

*There have been a few changes to our "Free Lunch" program, but it is now off to a great start! I feel comfortable saying that as **it was my name that was selected to receive a free February luncheon!***

*Following is the process that has been decided upon:*

- *After each luncheon Jean Michel provides a list of those who attended.*
- *The list is sorted to obtain a list of all the chapter members who were in attendance.*
- *A sort is done on a field that is not the name, for instance, for the first drawing we sorted on the Employer field.*
- *The list is then numbered sequentially and printed.*
- *The list is then resorted by name and printed as well.*
- *At each luncheon, our speaker will be asked to choose a number from 1 to the total number of members in attendance at the previous luncheon.*

*In January our speaker Karen MacDonald chose the number 13, which corresponded to Pat McDowell. What can I say, except thank you?*

*At the February luncheon we will ask the speaker to choose a number between 1 and 34, and the list will be available for anyone who wishes to perform an audit. As we mentioned earlier, the winner receives a free lunch and will be entered into a draw to receive the November half day, AGM and dinner, a significant value. ■*

*Pat McDowell, CFE*

**PD OPPORTUNITIES**

**CANADA**

**EDMONTON CHAPTER 2009 FRAUD CONFERENCE**  
Westin Hotel,  
March 4, 2009

See registration form on the last page of this newsletter or contact [Steve.Hrynchuk@aglc.gov.ab.ca](mailto:Steve.Hrynchuk@aglc.gov.ab.ca) for more information.

**JOINT ACFE/IIA FRAUD CONFERENCE Vancouver BC**  
Empire Landmark Hotel  
April 1-2, 2009

A rate of \$89 per room has been negotiated for attendees. Call the hotel at 1-888-511-5743 to book.

For more information, go to [www.cfevancouver.com](http://www.cfevancouver.com)

**USA**

**E-FRAUD: PREVENTING & DETECTING TECHNOLOGY-BASED CRIMES**  
Dallas TX February 2009

**FRAUD PREVENTION- MORTGAGE FRAUD**  
New York NY March 2-4, 2009

**NEW! LEGAL ELEMENTS OF A FRAUD EXAMINATION & PROFESSIONAL INTERVIEWING SKILLS**  
Chicago IL March 5-6, 2009

**NEW! DIGITAL FORENSIC TOOLS & TECHNIQUES**  
Las Vegas NV March 12-13, 2009

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**New guidelines for fighting fraud** have been released jointly by three leading professional organizations. "**Managing the Business Risk of Fraud: A Practical Guide**" is sponsored by the ACFE, The Institute of Internal Auditors (IIA), and the American Institute of Certified Public Accountants (AICPA)

Go to [www.acfe.com](http://www.acfe.com) for details of educational programs and guidelines.

**FREE LUNCH WINNER BIOGRAPHY**

As part of the Free Lunch program, we are running a short biography of each member who is chosen to receive a free lunch.

**Patricia M. McDowell, CFE**  
**Independent Forensic & Investigative Accountant**

**P**at McDowell is a Certified Management Accountant as well as a Certified Internal Auditor and of course, a Certified Fraud Examiner. She has over 17 years experience in Internal Audit at two international companies, and 2 years as an independent forensic & investigative accountant.

While Pat's specialty is identifying, investigating and quantifying the losses caused by employee fraud, she has also investigated supplier fraud, customer fraud, corruption (kickbacks), construction fraud and agent fraud. Many of these investigations took place in foreign jurisdictions; Europe, Asia and the Middle East as well as in the USA, and several resulted in large dollar value recoveries. Since May 2007 Pat has been an independent Forensic & Investigative Accountant and is currently serving as Vice-President of the Vancouver Chapter of the ACFE.

In late 2008 Pat was asked to join forces with *Lions Gate Investigations Group* (see their website: [www.lgig.com](http://www.lgig.com)) a new private investigation firm managed by partners Fred Pinnock and Scot Filer, both recently retired RCMP officers. Fred and Scot are currently exploring a number of new business opportunities, and Pat is enjoying the opportunity to learn new things.

Pat will be speaking at the Joint IIA/ACFE Fraud Conference on April 1-2, 2009. Her talk is tentatively titled: **Fraud and the Internal Auditor: Important things they never told you**. Briefly, Pat plans to cover some of the things she has learned over the last 21 years investigating fraud that have not been covered in any of the courses and seminars she has attended. ■

*I would like to announce my new Vancouver telephone number: 604.628.3425. - pm*



**CFEs ON THE MOVE**

**Colin Parcher CFE**  
*Executive Director, Investigative Services*  
*Financial Institutions Commission of British Columbia*

Our Chapter President was recently promoted to the position of *Executive Director, Investigative Services, Financial Institutions Commission of British Columbia (FICOMBC)*.

On behalf of our membership, the board would like to offer our hearty congratulations and best wishes in the future to Colin. ■

**Daneal R. (Dan) Little, FCA, CFE**  
*Managing Partner*  
*Hayes Stewart Little & Company*  
*Duncan, BC*

Congratulations to Dan Little, one of our members of the Vancouver Chapter, who was elected as a *Fellow of the Institute of Chartered Accountants of BC* in December 2008.

Dan graduated from the University of Victoria in 1987, earned his CA designation in 1991, and became a certified fraud examiner in 1996. He is the managing partner of Hayes Stewart Little & Company in Duncan, one of the largest mid-sized firms on Vancouver Island. ■



## FIND A FRAUD EXAMINER

The Vancouver Chapter website [www.cfevancouver.com](http://www.cfevancouver.com) 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 can also accept a short narrative description of your services.

Note that other than name, each of these fields is entirely optional.

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## BENEFITS OF MEMBERSHIP

- ✦ Enter the Anti-Fraud Profession, with CFE accreditation,
- ✦ Excel by providing continuing education, training and keeping you informed,
- ✦ Advance your career by providing a place to network with your peers and possibly help you find a mentor,
- ✦ Share your knowledge with others, and
- ✦ Build your practice.
- ✦ You could be eligible to win free lunches and even a free half-day training session and dinner.

For more information about membership see our website at:

[www.cfevancouver.com](http://www.cfevancouver.com)

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Remind people that profit is the difference between revenue and expense. This makes you look smart.

**Scott Adams**

## FEBRUARY SPEAKER BIOGRAPHY

### Brett Hallgren Video Forensic Solutions

Brett Hallgren is a court-recognized forensic video expert across Canada. He has nearly ten years experience in forensic video analysis and twenty one years in policing. Brett is considered one of the foremost forensic video experts in North America and has owned a private company, which conducts forensic video analysis for a variety of law firms, insurance companies and financial institutions for six years. ■

## JANUARY SPEAKER SYNOPSIS

### Counterfeiting and The Money Chase

Our thanks again to Karen MacDonald, a lawyer with Smart & Biggar. Karen practices in the area of intellectual property litigation.

Counterfeiting may involve **patents** (inventions), **trade secrets** (confidential information i.e. the formula for Coca Cola), **trademarks** (distinctive marks & logos i.e. the Nike swoop), **copyright** (works of expression, software, artwork, etc.), and **industrial designs** (the shape of a keyboard, golf club head, etc.). Most often, it involves copyright and trademarks.

The *Trade Mark Act* and *Copyright Act* provide to the holder certain protections for original works. The holder may have built up substantial goodwill which is difficult to value (ex. in 2006 the Coca Cola brand was valued at ~ \$67 billion dollars). The legislation covers items that are 'confusingly similar' to the original. The common law provides some additional protection against 'passing off', where a reputation has been established but the holder has not registered it.

Counterfeiting goods has been described by a former FBI Chief as The Crime of the 21<sup>st</sup> Century. Anything and everything is subject to 'knock offs' these days including designer apparel, auto parts, drugs, batteries, shampoo, car parts, etc. Some of these involve public safety concerns (brakes made of sawdust, drugs, contact lenses, etc.). It has been estimated that 7 to 9% of all world trade (~\$450 billion) is in counterfeit goods (most from China but also from Russia, etc.). About 40% of people surveyed said they would buy them. In addition to safety hazards, counterfeiting has links to organized crime, reduces tax revenues, discourages innovation and impedes economic growth.

Counterfeit goods can be cleverly done and hard to recognize. Look for misspellings, misaligned text, lower quality, etc. but the easiest way to tell is the price. If it's too good to be true, it is!

Enforcement is done through civil proceedings, which are effective, yet expensive. The owner can get an injunction, a judgment for damages & profits, declaration to settle ownership rights, orders for delivery or destruction of articles, & costs. In 1997, the court set a standard estimate for damages (\$2,000 flea market, \$6,000 retail, \$24,000 a distributor). The *Copyright Act* now has statutory damages as well. There have been some recent successes (Microsoft in Quebec & a couple of cases in BC) using a novel approach of a multiplier for damages, and obtaining punitive damages & special costs. Total penalties in those cases were in the \$500,000 to \$1 million range.

The problem is collecting as most defendants make themselves judgment proof or use front people & corporate shell companies. Pre-litigation investigations are key in identifying the people, potential assets, etc. The desired target is not the storefront vendor but the importer and/or distributor. Also look to vicarious liability of others such as landlords, flea markets, eBay, etc. if these people are aware of the activities and do nothing to prevent the sale of counterfeit goods from their premises or facilities.

There are criminal penalties in the *Criminal Code* and the *Copyright Act* but they are minimal (\$2,000 fine and short jail terms) and the Crown is hesitant to prosecute cases. Law enforcement has few resources to devote to counterfeit cases. So far, the *Trademarks Act* is enforced differently. Most criminal cases are plead out but judges are acknowledging the seriousness of the offence and its impact. ■

Prepared by Linda Murray, CFE