



Vancouver Chapter

CONTACT NUMBERS FOR THE 2010 BOARD OF DIRECTORS

Colin Parcher	604 953 5232
Pat McDowell	604 628 3425
Jo Orton	604 685 8408
Carmen Wiechers	604 603 8893
Russ Lefler	604 214 4893
Jim Blatchford	604 443 2125
Kim Marsh	604 377 0546
Shane Troyer	778 331 2234
Rosanne Terhart	604 697 5286
Linda Murray	250 755 6988
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

Jim Blatchford

MEMBERSHIP/OUTREACH LIAISON

*Rosanne Terhart
Colin Parcher
Pat McDowell*

PROFESSIONAL DEVELOPMENT AND TRAINING

*Kim Marsh
Colin Parcher*

NEWSLETTER

*Pat McDowell
Karrie Kaszczuk
Russ Lefler*

WEBSITE

*Russ Lefler
Pat McDowell*

PAST PRESIDENT

Linda Murray

RECORDING SECRETARY

Jean Michel

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

PRESIDENT'S REPORT

We are now entering the second decade of the 21st century and it seems like we just recently celebrated the new millennium. The last ten years have gone by quickly for most of us but I believe that is the norm if you live a busy life. The Vancouver chapter certainly has been busy and our accomplishments are reflected by the industry's recognition for our newsletter, website and as a chapter that consistently strives to improve. Replacing Colin Parcher as the President has its challenges but I also inherited an experienced, dedicated and cohesive board. Because of different initiatives we have a healthy bank balance, membership is strong and our training sessions are well attended.



The last year has been an interesting one for most because of the global recession that caused havoc for some economies and left many countries in a deficit situation. There were several lessons to be learned from the economic downturn including the imperative to regulate how much money an individual can borrow and Ponzi schemes come in many different shapes and sizes. The proliferation of Ponzi schemes in Canada and elsewhere re-emphasized the need to show caution when investing money. In some cases it would appear that our regulators let us down but there was also a healthy ration of greed, lack of due diligence and plenty of willful blindness that can be shared by the corporations and consumers. The message we should all heed is that we need to conduct thorough research before investing. The money spent conducting due diligence is miniscule compared to the costs incurred chasing a bad investment and the reality of recovering through litigation is; there will be no quick solutions, the process will be costly and the chances of recovery are not good.

The board will be meeting on January 12th to discuss and plan for the upcoming year. With Vancouver being the host of the 2010 Winter Games and the annual ACFE Canadian Fraud Conference in May there will be several matters to discuss. It is our intention to continue providing quality training opportunities to our membership who consistently support the different events. There is also a need to continue to promote the chapter wherever possible as this will encourage others to join and it will raise the profile of both the chapter and the organization. On behalf of the board we wish everyone a Happy New Year and we look forward to a successful 2010. ■

*Kim Marsh CFE
President, Vancouver Chapter*

2009 AGM Election Results In Brief

As was mentioned in the December newsletter, the new board of directors was elected at our November AGM. Only Annette Bieberstein did not run for re-election, and Roseanne Terhart was elected to fill out the slate. The 2010 Board is as follows:

President:	Kim Marsh
Vice President:	Colin Parcher
Co-Treasurers:	Jo Orton and Shane Troyer
Secretary:	Carmen Wiechers

Also elected to the Board: Jim Blatchford, Pat McDowell, Russ Lefler, and Linda Murray returns as Past President. ■

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 3rd floor.

When: Wednesday, January 27th, 2010

Time: 12:00 Noon

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: cfevancouver@yahoo.ca

Visa™ and MasterCard™ accepted.

2010 ACFE CANADIAN FRAUD CONFERENCE

The date for the 2010 ACFE Canadian Fraud Conference is now set for May 2-5, 2010 at Vancouver's Sheraton Wall Centre. Note - there will be a half-day pre-conference training session on the afternoon of May 2nd. For details regarding conference packages and registration please go to the ACFE website. Keynote speakers include Robert Rudloff, CIA, CFE and Vice President of Internal Audit for MGM MIRAGE, as well as W. Alan Clark, British Columbia's Superintendent of Financial Institutions. ■

BCIT FORENSICS - OPEN SEMINAR

Topic: Study of The Underground Economy in the BC Construction Industry

When: Monday, January 18th, 2010

Time: 10am - 12:00 Noon

Where: BCIT Burnaby Campus, 3700 Willingdon Avenue, Burnaby, Bldg NE1, Room 403

Price: Parking at \$3.50 per day

Registration/Information:

Contact Stephen Hollander at 604-453-4098 or Stephen_Hollander@bcit.ca.

2009 Christmas Charity

The ACFE Vancouver Chapter Christmas Luncheon on December 10th was a great success, with good food, fun fundraising and lots of networking. We raised \$497.50 for Covenant House in the 50/50 draw and the silent auction. Pat McDowell won the 50/50 draw and donated her winnings back to Covenant House. The silent auction appeared to be very popular, however if we do it again next year it won't be 5 tickets for \$1...far too many tickets to count out.

The board of directors of the chapter would like to give a special thanks to everyone who contributed all those fabulous gifts for the silent auction.

In the last Free Lunch draw of the year we randomly selected Carl Markwart for a refund of the \$50 cost of the AGM dinner. Carl very kindly also donated his winnings to Covenant House, for a total donation from the ACFE of \$547.50. Carl's bio and picture are also in this issue. ■

Pat McDowell CFE

MEMBER BIOGRAPHY



CARL MARKWART, CGA, SENIOR ACCOUNTANT - Congratulations to Carl Markwart for winning a refund of the purchase price of 2009's AGM dinner, and thank you to Carl for donating his win to Covenant House!

Carl has been an associate member of the Chapter member since 2000. His working career has taken him through various positions including 9 ½ years with the Canada Revenue Agency ending as an auditor (paroled May 2, 1999). Following his time with the CRA,

Carl worked as an internal auditor and held a controllership position with EasyPark before making the leap into the public practice industry in 2005. (Note – Carl is aware that the chronology of his accounting career is somewhat backward to the approach that most other accountants take.)

Currently he is working for McLaren Trefanenko Inc., Certified General Accountants in New Westminster and is enjoying the variety that public practice brings.

When not at work, Carl can be found spending as much time as possible with his fun-loving wife and two beautiful girls trying to make them laugh. Carl would rather be fishing (as that old bumper-sticker suggests) or just outside with his family when the opportunity arises. ■

JANUARY SPEAKER BIOGRAPHY



MICHAEL HEWITT, B.COMM, LL.B - Michael Hewitt has been a litigator his entire legal career, focusing on complex commercial and insurance lawsuits.

He has practiced with Singleton Urquhart since 1993, and joined its partnership in 1999. During 1988-1993, he was mentored under leading members of the profession at the Federal Department of Justice in Vancouver and law firms in Ontario and England.

In his law practice, Mr. Hewitt represents corporate and individual clients in cases involving professional liability, insurance, fraud, securities, contract and other business disputes. In doing so, he ►

PD OPPORTUNITIES

CANADA

MANAGING THE BUSINESS OF RISK FRAUD

Toronto, ON January 26, 2010

FORENSIC DOCUMENT EXAMINATION AND FORGERY ANALYSIS

Toronto, ON February 25, 2010

TERRORIST FINANCING AND FRAUD AWARENESS OF COMMERCIAL TARGETS

Edmonton, AB March 3, 2010

2010 ACFE CANADIAN FRAUD CONFERENCE

Vancouver BC May 2-5, 2010

USA

CONDUCTING INTERNAL INVESTIGATIONS

Dallas TX January 28-29, 2010

MONEY LAUNDERING: TRACING ILLICIT FUNDS

Charlotte NC February 4-5, 2010

FINANCIAL STATEMENT FRAUD

Phoenix AZ February 8-9, 2010

CFE EXAM REVIEW COURSE

Las Vegas NV February 8-11, 2010

PROFESSIONAL INTERVIEWING SKILLS

Tampa FL February 25-26, 2010

INVESTIGATING CONFLICTS OF INTEREST/AUDITS FOR INTERNAL FRAUD

New York NY March 1-3, 2010

FRAUD PREVENTION/COMPUTER-AIDED INVESTIGATIONS

Chicago IL March 10-12, 2010

INTERNATIONAL

2010 ACFE EUROPEAN FRAUD CONFERENCE

London UK April 11-13, 2010

For more information and registration details, go to www.acfe.com. Click on **Training & Events**, and then Calendar of Events to see all the options available.

► draws on experience in a broad range of previous civil, criminal, administrative and constitutional law cases, including a great deal of trial work. He regularly appears as counsel in all levels of the British Columbia courts, as well as regulatory tribunals, arbitrations and mediations. His record includes a long list of successful results in both judge and jury trials, tribunal rulings, and appeals, as well as negotiated settlements of many complex cases.

Mr. Hewitt has dedicated considerable time to professional development and training for the accounting profession, insurance industry investigators, and others. He regularly speaks to such groups about legal issues affecting their areas of expertise, and provides legal and strategic advice on an ongoing basis.

Out of court, Mr. Hewitt leads a team of thoughtful and dedicated lawyers, paralegals and staff who focus on practical results and client service. ■

A MESSAGE FROM THE OUTGOING EDITOR

It has been at least five years since I took over the ACFE Vancouver Chapter Newsletter from Linda Murray; wow, time really does fly! During that time we published at least 10 issues per year as well as several special summer editions, and won the ACFE Newsletter of the Year award twice, in 2007 and 2009. A number of other chapters have recently asked to use our format, which is satisfying in and of itself; you know what they say about imitation. I should note that most of the format was inherited from Linda.

While preparing the newsletter every month has been a time-consuming and at times frustrating process, it has also provided satisfaction and nearly every month, a sense of completion; something that is not always forthcoming in our line of work.

I am lucky to have a sister who is a graphic designer; and want to thank Eileen Affleck of Folio Design for some of the more recent tweaks to the format. I also want to thank Colin Parcher for his informative monthly President's reports, in spite of his crushing workload at FICOMBC. Jean Michel provided regular reminders to me, which I really appreciated, as well as able proof-reading, but the proof-reader extraordinaire was and is Russ Lefler. Russ notices the smallest details, and most of the time he is correct (I don't want to make his head swell too much). Both Karrie and I are glad that Russ has indicated he will continue his work on the newsletter committee for the next year.

Karrie Kaszczuk (pronounced Kaz-chuck) is one of our newest Chapter members, has a journalism background, and is working towards taking her CFE exam. She has volunteered to take over the newsletter and I can't say how happy I am to pass the torch to Karrie. I am looking forward to the evolution in the look and content of our newsletter under her able stewardship.

In my experience, the assistance of our membership is a key ingredient to make the newsletter the best it can be. We welcome short, informative articles as well as links to items of interest which may not have been seen by most of our members. If you are an author, please consider giving us the benefit of your knowledge and experience. Please contact Karrie at newsletter@cfevancouver.com if you have an article or link to share.

Finally I would like to thank Linda Murray, our Past President for the last four years, for her regular, almost monthly preparation of speaker summaries. Her willingness to add this to a very busy life is gratifying and beyond the call. I am looking forward to reading the monthly reports from our new President, Kim Marsh. As you can see from the first page he is already off to a great start. ■

Pat McDowell CFE
Former Newsletter Editor

"I am not the editor of a newspaper and shall always try to do right and be good so that God will not make me one."

~Mark Twain



FIND A FRAUD EXAMINER

The Vancouver Chapter website 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 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.

FREE LUNCH PROGRAM

When the Vancouver Chapter of the ACFE introduced the *Free Lunch* program, we planned to draw one of the names of the free lunch winners to also receive a free AGM dinner.

Recently I received several suggestions to make this process fairer. The Board agreed to simply draw from the names of all the members who attended the AGM to determine who would receive a refund of the \$50 AGM dinner costs.

Let us know whether you want this program to begin anew in 2010, and if so, any changes you would like to see.

Pat McDowell CFE

IDENTITY FRAUD ON THE RISE IN 2009

In researching this article I came across a lot of interesting, if not somewhat frightening information concerning the various ways and lengths to which people will go to defraud others.

At the start of 2009 CIFAS (Credit Industry Fraud Avoidance System) – The UK's Fraud Prevention Service, published details of their analysis of fraud trends documented in the first quarter of the year. Topping the list was a 40% year over year increase in identity fraud, including a whopping 75% increase in account takeovers.

The threat of identity fraud can be particularly frightening for the average consumer, not so much due to the potential financial burden it can impose, but rather because of the darker and scarier threat of having one's identity stripped so easily away. CIFAS Communications Manager, Richard Hurley, speculated in an article published on the CIFAS website that a rise in this type of fraud is not altogether surprising in such economic times.

"...It is undeniable that credit has become more difficult to obtain, and this may go some considerable way to explaining the fraudsters' changing methodology. With application fraud proving less fruitful, they are turning to facility [account] takeovers and attempts to assume identities to get their hands on finance...."

What's both fascinating and terrifying about identity fraud is its viral nature. Constantly growing and mutating, it changes almost as quickly as it's detected. A few strains well known to law enforcement include: straightforward account takeovers; more complicated card skimming, PIN theft and card trapping schemes; all manner of insurance and application fraud schemes; false charity fraud; vishing and phishing; and more.

Needless to say the list continues to grow, but the two fraud stories that elicited the greatest shake of my head detailed identity fraud of a more personal and despicable nature. In December the RCMP 'F' Division's Commercial Crimes Section issued an advisory due to the marked increase they received in complaints regarding a type of fraud known as the "Grandparent Scam" or "Emergency Scam".

According to the advisory, fraudsters targeted grandparents (among others) by phone, claiming to be a grandchild in the sort of desperate trouble that requires an immediate financial solution, such as a car accident, DUI, or some other charge requiring bail money.

Callers, claiming in most instances to be in either Toronto or Quebec, throw their victims off guard by crying and asking questions like, "Grandma? Do you know who this is?" And, with emotions on high, names get released, giving the credibility that the caller needs to proceed. As you can guess, the caller presses their victim to keep the request secret, for fear of incurring the shame or wrath of the family, and the money is sent off into the ether becoming virtually unrecoverable faster than you can say, "Catch me if you can."

December also saw one of the most ridiculous, and maybe saddest false claims to identity in a case where Toronto police essentially charged a local woman with deceitful practice of witchcraft, after she falsely claimed to be possessed by the spirit of the dead sister of the man she defrauded.

Beyond the obvious, what is saddest about this particular case is the fact that the victim, a veteran criminal lawyer, probably would have spotted this scam a mile away if he had not personally been in the thick of it.

From recent accounts, 2010 is not looking a whole lot brighter...yet. But it's surprising what a year of hard knocks can do to one's sensibility. Yes, the times are still leaning more towards 'tough', and yes, there will always be people who are ready to capitalize on the fears and foolishness of others. Still, I can't help but think that as we uncover and learn more, that those of us in the line of prevention stand a little more ready to stop the onslaught at the gate. ■

Karrie Kaszczuk EDITOR