



Vancouver Chapter

CONTACT NUMBERS FOR THE 2007 BOARD

Colin Parcher	604 953 5232
Dean Davison	604 685 6864
Christine George	604 640 3355
Carmen Wiechers	604 303 2034
David Connop	604 880 5462
Pat McDowell	604 885 0331
Adrienne Fairburn	604 605 5384
Jim Blatchford	604 443 2125
Russ Lefler	604 214 4893
Linda Murray	250 390 0114
Jean Michel	604 682 1562

VANCOUVER CHAPTER COMMITTEES

ETHICS

David Connop

MEMBERSHIP/OUTREACH LIAISON

Adrienne Fairburn
Carmen Wiechers

NEWSLETTER

Pat McDowell
Russ Lefler

PROFESSIONAL DEVELOPMENT AND TRAINING

Colin Parcher
Jim Blatchford
Dean Davison
Keena Hicken-Gaberria

WEBSITE

Pat McDowell
Agnes Lee

MEMBERSHIPS ARE NOW DUE!

Membership in the Vancouver Chapter of the Association of Certified Fraud Examiners is broken down into three main categories: CFE, Non-CFE and Student.

Current membership fees are \$65 plus GST for a total of \$68.90, or \$26.50 for full-time students.

The new year started October 1st so get your membership form in now!

Contact Jean Michel for a membership form and register today!

membership@cfevancouver.com

PRESIDENT'S REPORT

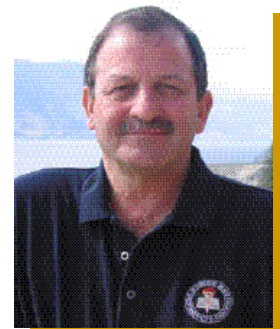
During the past year I, along with the rest of the board have been very busy promoting Vancouver to the ACFE Headquarters as an alternative to Toronto for the ACFE 2008 Canadian Fraud Conference. Now that it has been decided that the 2008 Canadian Conference will be in Vancouver I feel like there is nothing to report.

I know this is a passing moment that will soon be gone, as the work to ensure the conference is a success has just begun for both the current and the upcoming board. The effort to ensure the conference's success will not be limited to just the board, but will also be the responsibility of you, the chapter membership. You can help by confirming your attendance to the conference and promoting it to your colleagues, friends and other organizations.

The board has had many detailed discussions involving our Chapter's involvement. The ever-capable team of people the ACFE has amassed in Austin will primarily organize the conference. Having attended the last two Annual Conferences, I can assure you that our President James Ratley has every reason to be very proud of how his staff puts a conference together and ensures that it runs smoothly. However; at a chapter level, we will have some responsibilities to ensure Vancouver 2008 is a conference to remember. Not only is this with respect to the conference itself, but also to promote Vancouver for future events.

So, to this end, what is it that the chapter has to do? Our responsibilities with respect to the actual conference will be to assist with the registration and other related duties during the conference. There may also be a possibility of jointly hosting a reception with ACFE Austin; however, we are also considering a dinner with corporate sponsors involved. There have been a number of Vancouver's spectacular venues brought to the table. This subject will be discussed at upcoming board meetings and dealt with by a committee that will be formed to manage the chapter's involvement in the 2008 conference.

For those who attended the September lunch, you will recall that I announced the Annual General Meeting, which was originally scheduled for November 28th, was being moved forward by a week to **November 21, 2007**. This date change was due to board scheduling and the busy Christmas season, which is fast approaching. In making this announcement I had failed to ensure that the Keg Banquet room was available. It's not, so we have also had to **change the venue to the Metropolitan Hotel on Howe Street**. My thanks to Jean Michel for her work in finding an alternate venue. More information can be found elsewhere in this newsletter about the AGM and the ½ day training that will precede it.



Continued on next page ►



UPCOMING EVENTS

MONTHLY LUNCHEONS

Our luncheons are held on the 4th Wednesday of every month from September to June at the Hornby Banquet Centre located directly above *The Keg* at the corner of Hornby and Dunsmuir.

The entrance is on Hornby, (take the elevator to the 3rd floor)

PS: This has the makings of another fabulous year, so bring A Friend or Colleague!

Next Luncheon:

When: Wednesday, October 24, 2007

Time: Noon

Speakers: Heather Northrup, Senior Counsel, RBC Law Group and Lorna Strong, Associate General Counsel from HSBC. (See their bios on this page this newsletter)

Topic: *When Federally Regulated Banks Can Disclose Information to Third Parties - Privacy Law and Implications for Investigations*

Where: Hornby Banquet Centre
595 Hornby Street, Vancouver

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

Contact Jean Michel to register today:

luncheon@cfevancouver.com

Visa™ and MasterCard™ accepted.

NEW CFEs

The following people have recently and (more importantly) successfully completed the rigorous CFE exams and now have the right to place those three special letters after their names:

Raymond W Grijzen, CFE
of WORKSAFEBBC

Christine N Matthews, CFE
of Black Cassels & Grayon

Lori Watts, CFE
of the Competition Bureau

Jo Orton, CFE
of the Law Society of BC

Please join the board in congratulating and welcoming these four outstanding new CFEs. ■

PRESIDENT'S REPORT - continued

◀ *Continued from previous page.*

I am currently speaking to several individuals with respect to securing a keynote speaker for the AGM Dinner. This will be announced once the speaker is confirmed.

As many of the Chapter CFE's are aware, our past president Linda Murray has been actively seeking individuals who are willing to let their name stand for the chapter board of directors' positions for the upcoming year. Given Linda's efforts, for only the second time in the history of the chapter, it looks like we will be having an election.

I feel this is good for the chapter. However, as I have stated in recent newsletters, we have a busy and aggressive year coming up. For that reason, I urge all individuals who are interested in running for a board position to consider if their personal and work commitments allow them the time to participate.

On behalf of the board of directors, thank you for your continued support in the success of the Vancouver ACFE Chapter. ■

Colin G Parcher CFE
President, Vancouver Chapter
president@cfevancouver.com

MEMBER BIOGRAPHY

Lisa McKenzie

Lisa graduated from Capilano College in 1996 with a Legal Assistant diploma. She has worked as a paralegal in various fields, including personal injury, insurance defense and environmental law. In 2004 she decided a career change was in order and became an independent insurance adjuster; which was a good fit with her legal background. As an independent adjuster she gained experience in a variety of claims, including both personal and commercial lines.

Lisa joined Credit Union Central in June 2006 as the Claims Representative in the Claims Department of Risk Management. The Risk Management department administers various insurance programs for BC's credit unions. She is responsible for adjusting claims, administration of all claim files, and claims payments. She is currently working on obtaining her CIP designation. ■

OCTOBER SPEAKER BIOGRAPHIES

Heather Northrup, Senior Counsel, RBC Financial Group

Heather Northrup is Senior Counsel with RBC Financial Group. She currently manages Banking Litigation for RBC's Canadian Banking Business across Canada and disputes and litigation for other RBC Financial Group businesses. In her 9 years with RBC she has advised RBC's Canadian banking unit on regional litigation, dispute resolution, fraud management and other operational related matters, including privacy and access for information requests. Prior to joining RBC Heather practiced at Borden Ladner Gervais' Vancouver Office for 5 years with their insolvency group.

Lorna Strong, HSBC

Lorna Strong is Associate General Counsel at HSBC Bank Canada with responsibility for litigation management and advising on operational risk. She works closely with such departments as Operations, Corporate Security, Compliance and IT and in this capacity routinely advises in respect to requests for information and orders for disclosure, including production orders. ■

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.

BENEFITS OF MEMBERSHIP

Membership in the ACFE and the Vancouver Chapter is a fabulous way to support your career as an anti-fraud professional.

We can help you:

- ✦ 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.

For more information about membership see our website at:

www.cfevancouver.com

Membership fees were due on October 1, 2007. If you have paid and require a receipt, please let Jean know:

membership@cfevancouver.com

NOVEMBER 1/2 DAY TRAINING EVENT

Speaker Biography

Our November 21st half day training event will feature Garry Clement of IPSA International. He will be speaking on the topic: **Interviewing: Unraveling fact from fiction.**

Mr. Garry Clement has over thirty-four years of policing experience, 30 with the Royal Canadian Mounted Police (RCMP), in a variety of investigative matters and management roles. He also has four years experience as the Chief of Police for Cobourg, ON. Mr. Clement retired from the RCMP holding the national position of Director, Proceeds of Crime. He is an internationally recognized expert and speaker in the areas of money laundering, detection of suspicious activity and currency reporting.

During his tenure in the RCMP, he worked in the proceeds of crime and money laundering areas as an investigator, undercover operator and manager commencing in 1983. From 1991 to 1994 he served as a Liaison Officer in Hong Kong, where he worked with law enforcement in the Asia-Pacific area dealing with counterfeiting, fraud and money laundering. He also just joined IPSA International as the director of their Toronto office. ■



RECENT FRAUD NEWS

Good News on the Identity Fraud Front

The minority Conservative Government recently announced that it will introduce legislation that will criminalize the gathering of personal information for the purposes of identity theft, even before an actual fraud has taken place.

Currently, using stolen identity information to commit fraud is illegal; however police and the courts have not had the ability to prosecute the gathering and trafficking in identity information.

"Our government will be giving police the tools to better protect Canadians by stopping identity theft activity before the damage is done," Justice Minister Rob Nicholson said in a statement.

Identity theft has been a growth industry and it is good to know that it will be taken seriously by the justice system. This law can't pass soon enough. ■

SEPTEMBER SPEAKER SUMMARY

Victor Hamill

Assistant Deputy Commissioner
Competition Bureau of Canada, and

Stephen Hollander, CGA, CFE

Centre for Forensic and Security Technology Studies
BCIT

Bid-Rigging, Awareness and Deterrence

The Vancouver Chapter of the ACFE was pleased to have these two interesting speakers at our September luncheon. Bid-rigging is a criminal offence under s. 47 of the Competition Act that undermines competitive tendering. It involves a secret agreement on bids or tenders to frustrate or manipulate competitive bidding process.

Continued on next page ►



PD OPPORTUNITIES

CANADA

EDMONTON ACFE FRAUD CONFERENCE *

Edmonton November 7, 2007

* Watch our website for details:

www.cfevancouver.com

NOVEMBER HALF-DAY TRAINING

Vancouver November 21, 2007

The Metropolitan Hotel

645 Howe Street

From 1-5 pm, Garry Clement speaking about: **INTERVIEWING – SEPARATING FACT FROM FICTION** See Garry's bio on page 3 of this newsletter.

Followed by the AGM and then a gala dinner starting at 6:30pm.

The details will be posted on our website Events and Activities page as soon as they are available.

www.cfevancouver.com

2008 CANADIAN ACFE FRAUD CONFERENCE

Vancouver May 4-7, 2008

See the last page of this newsletter for information, and check out www.acfe.com for more details.

U.S. AND INTERNATIONAL LOCATIONS

SPOKANE ACFE FRAUD CONFERENCE *

Spokane October 18-19 2007

* Watch our website for details

FRAUD PREVENTION *

Los Angeles November 7, 2007

* combo event savings

FINANCIAL INSTITUTION FRAUD *

Los Angeles November 8-9, 2007

* combo event savings

PACIFIC RIM FRAUD CONFERENCE

Victoria AU November 29-30 2007

E-FRAUD

Salt Lake City UT October 29-30 2007

* Register to attend two events being held consecutively in select cities and receive \$100 in combo event savings

Go to www.acfe.com for details and registration.

Don't forget to register with Jean Michel for the Luncheon on October 24th!

SEPTEMBER SPEAKER SUMMARY

◀ Continued from previous page.

Bid-rigging can occur in any market and the costs of bid rigging can be enormous. Procurers can play a major role in combating bid-rigging.

"The costs of bid-rigging can be enormous. Buyers and supply chain organizations play a vital role as front-line detectors of this illegal conduct. We encourage all our members to adopt the practices recommended by the Competition Bureau and to report suspicious behavior."

- Robert W. Dye, President, Purchasing Management Association of Canada.

The Competition Bureau is an independent federal law enforcement agency whose role is to promote and maintain competition in Canada. The Bureau is responsible for administration and enforcement of the *Competition Act* and statutes concerning marketing of consumer products, and enforcement activities have resulted in fines totaling hundreds of millions of dollars.

The Competition Act is the federal law that promotes competition in the marketplace, containing both criminal and civil provisions. Criminal penalties include both unlimited fines and imprisonment of up to five years for individuals involved in anti-competitive activities.

Under the Competition Act, "bid-rigging" means an agreement or arrangement between or among two or more persons whereby one or more of those persons agrees not to submit a bid in response to a call or request for bids or tenders, or the submission, in response to a call or request for bids or tenders, of bids or tenders that are arrived at by agreement or arrangement between or among two or more bidders or tenderers, where the agreement or arrangement is not made known to the person calling for or requesting the bids or tenders at or before the time when any bid or tender is made by any person who is a party to the agreement or arrangement.

Everyone who is a party to bid-rigging is guilty of an indictable offence and liable on conviction to a fine in the discretion of the court or to imprisonment for a term not exceeding five years or to both.

Besides the penalties mentioned above, unlimited fines and jail terms up to five years for individuals, the victims also have the right to sue offenders to recover damages for criminal compensation violations (s. 36) and a criminal record may be registered with the Canadian Police Information Centre (CPIC).

Some of the most common forms of bid-rigging are:

- Cover or token bidding
- Bid suppression – withholding bids
- Bid rotation – rotating agreed best bid
- Market division – carving up the market
- More than one of these techniques may be used.

Conspirators generally allocate winning bids by:

- Rotating so that each vendor has equal dollar volume over time
- Rotating so that each will win an equal number of contracts over time
- Based on market share
- Based on dollar value cutoff
- Based on need.

There are several ways that quid pro quo is arranged, either losers are promised they will win another contract later, the winning contractor gives subcontracts or supply contracts to one or more of the losers or a direct payoff of cash or goods is made.

Industries may be more susceptible to bid-rigging are those with products that are either homogeneous, very simple products or services, goods or services which have not seen significant technological advances or changes and/or products with few substitutes. Those with a small number of suppliers or customers, supplier bases with few new entrants and an active trade association are also at risk.

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REMINDER

Remember to block your calendar for our annual **Half-Day Training** event combined with the Annual General Meeting (**AGM**) and gala dinner.

It will be held in lieu of our monthly luncheon meeting, on **November 21, 2007 at the Metropolitan Hotel** on Howe Street.

Watch our website for details and updates on this and all our events, www.cfevancouver.com

WE NEED YOUR HELP...

ARTICLES OF INTEREST

The Newsletter and website are always looking for information to publish which is relevant and interesting to our members. Please don't hesitate to send us links to articles/sites that you find interesting. If you are an author yourself we would be especially pleased to accept your fraud-related work. Contact newsletter@cfevancouver.com

EMPLOYMENT ADS FOR CFES

If you are looking to hire someone for a fraud related position and are interested in placing an employment ad, please contact newsletter@cfevancouver.com Note that there is a nominal fee for this type of advertisement.

MEMBERSHIP

Contact Jean Michel for a membership renewal form and send it in or bring it with you to the October luncheon. membership@cfevancouver.com

LUNCHEONS

Don't forget to mark your calendar, the 4th Wednesday of every month (except July and August) is when we schedule our informative and friendly luncheons. Come and bring a friend!

SPEAKERS

We are always on the lookout for speakers for our luncheons and conferences.

If you or someone you know is a speaker with a relevant (fraud related) topic, please contact Colin Parcher at

president@cfevancouver.com .

SEPTEMBER SPEAKER SUMMARY (cont'd)

◀ *Continued from previous page.*

Some of the warning signs involving bid submissions are:

- Competitor's bids are received together
- Identical irregularities in bids
- Suppliers meet before they submit tenders and you are not present
- Suppliers that would normally tender fail to do so
- Same supplier is often the successful bidder
- The winning bidder does not accept the contract
- The winning bidder subcontracts work to unsuccessful bidders
- Pattern suggests a rotation of successful bids among several suppliers
- Bids from local companies involve similar transportation costs as non-local bidders
- Identical bids
- Large difference between price of winning bid and other bids
- Significant change from past price levels occurs after bid from new or infrequent supplier
- Range of quoted prices has moved suddenly, or existing discount arrangements have changed suddenly
- Only one bidder contacts wholesalers for necessary pricing information
- Use of the same terminology when explaining price increases
- References to "industry suggested prices" or "industry price schedules"
- Refusal to sell to you or in your area because of an agreement
- Knowledge of competitor's confidential bid

Prevention: Seeking Bidders

- Maximize the pool of potential bidders
- Know your suppliers and their market prices
- Be aware of price changes for supply inputs
- Know prices in other jurisdictions
- Avoid obligatory bids
- Keep identities of bidders secret, do not disclose specifics of the pool of bidders

Prevention: Drafting Tender Specifications

- Require disclosure regarding potential subcontractors and their pricing
- Allow for substitute products whenever possible
- Avoid preferential treatment for a certain class of supplier
- Avoid predictability – consider aggregating or disaggregating contracts.

Prevention: Awarding Contracts

- Avoid splitting contracts between suppliers with identical bids
- Ask questions if prices or bids don't make sense.

Prevention: Training and Review

- Encourage regular staff training on bid-rigging
- Bureau's online presentation may be helpful <http://www.mmprodnt.ic.gc.ca/mmpub/competitionbureau/bidrigging/index.html>
- Review tender history/results periodically, especially in susceptible industries
- Conduct reviews with
 - Vendors who no longer offer supply
 - Unsuccessful vendors

Prevention: Disclosure of Communications

- Use a "Certificate of Independent Bid Determination" – highly recommended
- Certificate requires disclosure of communications between bidders
- Document available online at: http://www.competitionbureau.gc.ca/PDFs/certificate_bid_e.pdf
- Establish a complaint mechanism for suppliers to convey competition concerns

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MORE HELP, PLEASE...

MEMBER BIOS

We would love to include your biography (along with a flattering photograph of course) in our newsletter. Please contact newsletter@cfevancouver.com if you are willing to be included.

ON THE MOVE

The Newsletter has a column where we let you know when our members have changed jobs or companies. We need you to let us know so we can let you know, if you know what we mean. Please contact newsletter@cfevancouver.com

NOMINATIONS FOR THE BOARD

If you are interested in standing for the board for the next challenging year, and have the time to commit, please contact our past president Linda Murray at lindamurray@shaw.ca to let her know you are interested.

CFE EXAM PREP COURSE

As indicated in last month's President's Report, Colin Parcher is soliciting expressions of interest regarding a formal CFE Exam Preparatory course to be held in Vancouver. We need approximately 20 people to ensure the course will run. Cost will be in the neighborhood of \$1,200 per person.

If you are interested in taking a course to prepare to sit this very important exam, please contact Colin as soon as possible at president@cfevancouver.com

Don't delay; this is too important for your future career!

PSST...SEE YOU AT THE NEXT LUNCHEON ON OCTOBER 24TH AT THE HORNBY BANQUET CENTRE! BRING A FRIEND OR COLLEAGUE.

DID YOU KNOW THAT AS A MEMBER YOU WILL RECEIVE AN ANNUAL SUMMARY OF THE CPE (CONTINUING PROFESSIONAL EDUCATION) HOURS YOU HAVE ATTENDED?

SEPTEMBER SPEAKER SUMMARY (cont'd)

◀ *Continued from previous page.*

If you suspect bid-rigging, record details of all relevant behavior thoroughly. Do not discuss your suspicions with industry participants. Decide whether or not to continue with the tender and CONTACT THE COMPETITION BUREAU!

Unlike most white collar crime, suspected bid-rigging and other anti-competitive behavior does not require you to arrange to conduct your own investigation. The Competition Bureau will conduct a preliminary investigation, followed by a formal inquiry where warranted. They have investigative tools including searches, subpoenas, wiretaps and mutual legal assistance treaties with other countries. After conducting an investigation, if appropriate they will refer criminal matters to the Attorney General of Canada for consideration and prosecution before the courts. Civil matters are brought before the Competition Tribunal for adjudication. ■

To contact the Competition Bureau, go to their website at 222.CompetitionBureau.gc.ca or email them at compbureau@cb-bc.gc.ca. You can also reach them by fax at 819.997.0321 or the telephone at 1.800.348.5358. TDD service is available at 1.800.642.3844.

The Centre for Forensic & Security Technology Studies at BCIT can be reached at www.bcitforensics.ca or 604.412.7436.

RECENT FRAUD NEWS

Canada soft on white-collar crime

When investors large or small buy shares of a publicly traded company, they are prepared to take reasonable risks in hope that they will have more money in future. They should not, however, have to take the risk that their money will be fraudulently diverted into the pockets of executives of that company.

Claude Lamoureux, the soon-to-retire head of the Ontario Teachers' Pension Plan, has raised serious questions about whether Canadian investors are being properly protected from white-collar criminals who commit fraud.

Speaking last week at a conference of the Canadian Institute of Chartered Accountants, Lamoureux said, "In Canada, white-collar crime is treated lightly by our legislators and our courts."

Lamoureux pointed to a recently published study which showed that more than 1,200 corporate executives have been convicted in the United States by the U.S. Fraud Task Force over the past five years. In comparison, he said only one high-profile case has been successfully prosecuted in Canada by the RCMP's white-collar crime unit, the Integrated Market Enforcement Teams.

Lamoureux suggested that auditors in Canada are too close to the firms they investigate, and that many provinces do not have sufficient resources to investigate possible violations.

We would all be appalled if police failed to investigate a bank robbery, but we pay less attention when the criminal is well dressed and sits behind a desk.

Lamoureux knows that stock markets and the economy generally depend upon business executives working in an ethical manner. They are paid to work with other people's money and should suffer serious consequences if they intentionally abuse the trust given to them. ■

This is an edited version of an editorial last week in the Record, Kitchener-Waterloo.

2008 Conferences Preview

14th Annual ACFE Canadian Fraud Conference & Exhibition

May 4-7, 2008 • Vancouver, BC

Benefit from the latest anti-fraud strategies and techniques and develop your skills as a leader in the profession at Canada's premier anti-fraud conference. The 2008 ACFE Canadian Fraud Conference and Exhibition will mark the 14th year for an event that provides you with the knowledge, practical skills and information you need to meet your challenges and enhance your standing as an anti-fraud professional.

NEW!

Enhance your professional development by attending the **NEW** Pre-Conference program featuring an intensive workshop that allows you to gain an in-depth understanding of special anti-fraud topics.

WHY YOU SHOULD ATTEND:

- Learn from prominent presenters in a variety of information-packed sessions that provide insight into the challenges that affect professionals today.
- Receive detailed information about the latest in fraud news, interviews and investigations and the steps in developing a leading fraud deterrence program.
- Learn about cutting-edge fraud detection tools and techniques.
- Explore best practices from Canada's top companies.
- Enjoy networking with colleagues who share your challenges and goals.

CREDITS

CPE: 4-24

FEES

	Early Registration		Standard Registration	
	Member	Non-Member	Member	Non-Member
Pre-Conference	N/A	N/A	CAD 250	CAD 350
Main Conference	CAD 795	CAD 895	CAD 895	CAD 995
Full Conference	CAD 895	CAD 995	CAD 995	CAD 1,095

HOTEL INFORMATION

Sheraton Vancouver Wall Centre Hotel
1088 Burrard Street
Vancouver, British Columbia
Canada V6Z 2R9
Early Registration Deadline¹: April 3, 2008

¹Payment must be submitted by
Early Registration Deadline to receive savings.

*The conference exceeded my expectations
and was a wealth of information conducted by
professionals in various fields related to fraud."*

*- Sylvester Lee
Senior Manager, Ingram Micro*

For updated information, visit www.ACFE.com/training