President’s Message – April 2019 edition

Dear Members,

We had a great turn out for our March 20th luncheon and a well received presentation on documenting fraud investigations in a digital world from Robert Merriott of Forensic Notes. Please reach out to Robert directly if you would like additional information about Forensic Notes. Our next training event is on May 22 at BCIT in Vancouver. We have a full day of presentations and training planned with topics including money laundering, deception detection, cyberfraud and report writing. Please check out our events page for more information and we look forward to seeing you there in May.

We still have several ACFE Scholarship Donation products available for purchase and the ACFE Canadian Conference Prize Packages that we will be raffling off over the next couple of months. All proceeds will go to the ACFE Scholarship Program. Please contact your Board members for additional information on available products and raffle tickets. There is also an updated list of items ACFE Scholarship Donation products in the monthly newsletter.

Please join me in welcoming the Atlantic Chapter #224 located in Halifax, Nova Scotia. We look forward to working with them to promote the ACFE in Canada. Interested in mentoring future fraud examiners? This is a fantastic opportunity to share your experience, advice and guidance with others. We currently mentor several people from all over the world including Vancouver, Toronto and Uganda. If you would like to learn more about the ACFE Mentoring Program, please contact us directly anytime and we will be briefly talking about the program at our May training event.

Would you like to speak at one of our Chapter events or provide a story for our newsletter? This is a great professional development opportunity and members are also encouraged to provide us with their input and ideas for future events. We have also posted the 2019 event dates on our website to make it easier for everyone to schedule accordingly.

Finally, I want to thank all of you for your participation and contributions in helping our Chapter grow. We will focus on the continued development of the Chapter over the coming year with new resources and relevant professional development opportunities for you.

Most sincerely,

Steve Wilson, President, ACFE Vancouver Chapter
May Training Session

The CFE Vancouver Chapter is pleased to provide the following training event in Vancouver:

Several themes come to mind when we think about the 21st Century Anti-fraud professional including innovation, collaboration, efficiency, communication and continuous improvement.

When
22 May 2019

8:30 AM - 4:30 PM

Location
BCIT - 555 Seymour Street, Vancouver, BC, 8th Floor

Morning Presentation Topics

The Problem of Money Laundering through Lawyers’ Trust Accounts
John Ahern – Senior Legal Counsel at Blue Sky Law, Vancouver

Deception Detection for Fraud Examiners
Dr. Matthew Kane - CEO of Solaris Intelligence, Vancouver

Fraud and Cybercrime Trends and Cyber Deterrence Strategies and Remedies
Patrick Neal - Program Coordinator, Crime and Intelligence Analysis BCIT

Click here for Speaker Bios and Presentation Summaries

Afternoon Training Topic

Report writing for fraud examiners – This afternoon training session will introduce good report writing fundamentals for fraud examiners. Attendees will also be introduced to digital report writing formats and programs. Workbook will be provided.

Register Here!

The ACFE Vancouver Chapter has recently donated to the ACFE Scholarship Program. As such, we have several items products available for purchase* on a first come basis and the ACFE Canadian Conference Prize Packages** that we will be raffling off over the next couple of months. All proceeds will go to the ACFE Scholarship Program. Please contact the ACFE Board members directly to purchase any of the items below.

2 - Self-Study Courses

- Finding the Truth (Workbook/Online Video) $100.00
- Recovering the Proceeds of Fraud (Workbook) $100.00

2 – International Online Fraud Examiner Manuals $100.00 each

4 - CFE International Online Prep Course $500.00 each

2 Canadian Conference Prize Packages - Each prize package includes conference registration, flight and hotel. (Tickets 1 for $20 or 3 for $50) Tickets can be purchased from the Vancouver ACFE Board Members directly. Winners will be announced on August 31, 2019.

2019 ACFE Fraud Conference Canada – October 20-23 in Montreal
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Academic Fraud in Professional Associations – By Michelle Cheng

Academic fraud is an area in need of urgent attention (Poisson, 2017). The impact of academic fraud is a serious issue because of how much weight society places on education including influencing an individuals’ ability to find employment in their desired field, and the associated salary expectations (The Economist, 2004). With the international mobility of Labour and students, it further incentivizes the academic fraud industry to expand into the behemoth that it is today (Poisson & Hallak, 2006). The current leading academic fraud methods that pose significant risk to professional and regulatory bodies include forged documents and degrees, diploma mills, and corruption in the accreditation of academic institutions. Of course, we have also heard about the recent admissions scandals in the news.

In the 1980s, the number of diploma mills and phony schools significantly diminished as a result of Operation “DipScam” led by the Federal Bureau Investigation (FBI) (Poisson & Hallak, 2006). During this operation, the FBI purchased fake diplomas and transcripts, and through postage tracking, led them to the leaders of the scam; however, the head of Operation “DipScam” retired and along with it, the task force behind it (The Economist, 2004). The rise of the internet and globalization led to the resurgence and transformation of diploma mills as printing technology, delivery services, toll-free numbers and other technologies became more accessible and inexpensive (Poisson & Hallak, 2006). Since then, the people behind diploma mills have developed their business acuity and leveraged modern technology in order to appear legitimate.

Forged degrees and transcripts differ from diploma mills in that the issuing institution may be legitimate, but the document has been altered or modified; for example, a transcript with name and grades altered from a respected university like Harvard. The current methods used to create official-looking documents can be very sophisticated (Szeto & Vellani, 2017). There is not a lot of information shared to the public on how exactly official documents are altered or forged, as institutions who get deceived do not publicize the methods that the perpetrator used, perhaps to avoid copycat offenders or to avoid reputational damage or criticism of its internal procedures.

Another form of academic fraud occurs during the accreditation process to ensure and improve education quality, and “[a]n institution or program that has successfully completed an accreditation review has in place the needed instructional, student support and other services to assist students to achieve their educational goals” (Council for Higher Education Accreditation, 2010). It encourages confidence in an institution and that learning activities meet an accepted standard and is reviewed by an impartial authority but even the accrediting process can be vulnerable to corruption and fraud. When programs lack accredited status, rendering a degree essentially worthless, it opens an opportunity to another kind of deceptive practice in the form of “accreditation mills.”
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The most indispensable defense against academic fraud is to ensure a strong authentication and verification process is in place. It is important to ensure that staff conducting verifications are aware of the various fraud techniques, and the safeguards available. To reduce the likelihood of academic fraud there are three main steps including verification of Institution, Credential and the Documents.

Verification of Institution - Institutions attain official recognition as a degree granting institution through a government body or a national or international accrediting body. However, it is careful to note that recognition does not guarantee that a specific program is legitimate; usually individual degree programs, rather than whole institutions, obtain recognition with an accrediting body and in high-risk countries for fraud, institutions are often verified by government bodies and agencies (Park & Porter, 2016). The main issue is that foreign governance structures and lists of foreign reputable degree programs can change quite frequently, especially in developing countries.

Verification of Credential - In this step, the credential and the program of study should be scrutinized and as mentioned previously, accreditation often occurs at the program level. For example, the Canadian Engineering Accreditation Board (CEAB) is the official committee that accredits undergraduate engineering programs in Canada, and it conducts reviews to ensure that engineering programs across Canada meet the standards for engineering education (Engineers Canada, 2018). This accreditation governance structure is also used in other countries, but it is important for staff that verify documents to be vigilant in researching not only the issuing institution’s accreditation, but the degree program’s accreditation.

Fraudsters can take advantage of this by using a legitimate institution’s diploma, such as UBC for example, and altering the credential and program (e.g., B.A.Sc. in Biomedical Engineering) that might not even exist. Very few people would doubt that UBC offers a Biomedical Engineering program (because it does exist) but it is little known that UBC, unlike other engineering disciplines, does not offer a B.A.Sc. in Biomedical Engineering. They only offer it at a graduate level. This serves as a reminder that organizations should conduct their own due diligence on the authenticity of credentials.

Verification of Documents - In many cases, institutions, organizations and professional bodies require that original transcripts and other academic documents be sent directly from the institution and this typically reduces the chance that the documents have been tampered with or altered. However, forged documents and credentials typically come from countries where public corruption, and political instability allowed fraudulent activity to flourish (Adan, n.d).
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Many document verification experts list red flags to identify potentially fraudulent documents, which according to (Park & Porter, 2016), may include:

- Unusual and/or misaligned formatting;
- Inconsistent typefaces;
- Spelling errors;
- No official stamps/seals;
- Stamps and seals that cover important information.

While forged documents can be identified using the naked eye, techniques have become more sophisticated, requiring more robust verification and detection procedures (Trines, 2017).

Canada is likely not at the forefront for fighting against academic fraud as Canadian organizations simply do not have as much exposure and experience as other countries (Transparency International, 2013). It is all the more important then for the Canadian government and organizations to be aware of various fraud schemes, and the steps outlined to combat academic fraud schemes especially as Canada accepts immigrants under skilled immigrant programs, which requires academic documentation for proof. Recently, an investigation uncovered a sophisticated scheme that fraudsters used to gain illegal entry into Canada. By using fraudulent acceptance letters to the University of Waterloo’s engineering program, fifteen individuals were able to obtain student visas, with allegedly no intention of studying in Canada (Mercer, 2018).

Michelle Cheng is a current student of the Graduate Certificate Program in Forensic Investigation of Fraud and Financial Crime at the British Columbia Institute of Technology.

If you are interested in speaking at one of our Chapter events or submitting an article for our monthly newsletter or weekly fraud insights post, please contact me directly anytime at president@cfievancouver.com. This is a great professional development opportunity. Lastly, I encourage everyone to make continuous learning a part of their lives and wish you all the very best in 2019.

Most sincerely,

Steve Wilson
Resources from the BCSC:

Click on the headlines below to read more:

Updates for the week ending April 12, 2019
Take the Smarter Investor Quiz
Download the following reports by clicking the link below:
2017 Compliance Scorecard
BCSC Service Plan 2018-2021
2017-2018 CSA Enforcement Report
Sign up on the BCSC website or Subscribe to receive email notifications

Social Media:
- Twitter: @BCSCInvestRight
- Facebook: BCSCInvestRight
- Youtube: BCSCInvestRight

Graduate Certificate in Forensic Investigation of Fraud and Financial Crime

The Graduate Certificate in Forensic Investigation of Fraud and Financial Crime provides a comprehensive understanding of modern financial fraud and financial crime investigative techniques and tools. The program introduces students to an array of different types of fraud, along with profiles of the common fraud and economic crime incidents that we see in society today

https://www.bcit.ca/study/programs/a400grcert

In the News:

Click on the headlines below:

How blockchain could end data theft
Facebook still has a problem with cybercrime
Quadrigacx files for bankruptcy
CRA Tax evasion in Vancouver
Where has all the money gone
Forensic accounting helped uncover college admissions scheme
A reward for whistleblowers who expose tax evaders
Lunch lady steals from cafeteria
Dark Web ACFE podcast
City of Ottawa treasurer tricked into wiring 100k to fraudster
Breaking court decisions for the week of March 25th
Two Canadian cryptocurrency firm owners deny perpetrating 30m fraud
No money back for PEI CRA fraud victim who used bitcoins

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: newsletter@cfevancouver.com
ACFE Vancouver Chapter
Officers and Committees:

**PRESIDENT** - Steve Wilson

**PAST PRESIDENT** - Carmen Wiechers

**VICE PRESIDENT** – Rosanne Walters

**SECRETARY** – Rosanne Walters

**TREASURER** – Kate Amangoulova

**ETHICS** – Linda Murray

**MEMBERSHIP OUTREACH**
Vincent Tse
Sachin Singh

**PROFESSIONAL DEVELOPMENT**
Steve Wilson

**COMMUNICATIONS** - John Dumfries

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### 2019-2020 ACFE Vancouver Chapter Board of Directors

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**Call For Speakers, volunteers and board members:**

If you are interested in speaking at an upcoming chapter event, send a brief proposal and topic outline to events@cfevancouver.com.

We are always seeking volunteers and board members. Please contact Steve at president@cfevancouver.com if you are interested or contact an existing board member at one of the upcoming local events.

If you have a story or would like to be featured in the newsletter let us know at newsletter@cfevancouver.com.

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**Find a Fraud Examiner**

If you are a current Chapter member and would like to include your contact information on our website, please send it to: website@cfevancouver.com.

**Join the ACFE Vancouver chapter!**

Join the ACFE Vancouver Chapter for discounts on training events and more! Click on this link for more information: Click Here!

**Website Job Postings**

We offer a free job posting on our website to any companies who have at least one employee as a chapter member. If interested, contact: website@cfevancouver.com. Check our job postings page for current listings.