

The Informant

ACFE
Arizona Chapter
Founded 1989

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FCPA - Concealment Of Bribes



By [James Rough](#) CFE, CCEP

Red Flag Account Descriptions Used to Conceal Bribes

As growing numbers of FCPA investigations are reported, including billions of dollars in DOJ and SEC settlements, details emerge surrounding the sophisticated methods companies and individuals are using to conceal bribes.

Below is a list of known “mischaracterization” of bribes published by the US Department of Justice and the SEC in, “A Resource Guide to the U.S. Foreign Corrupt Practices Act”.

Bribes Have Been Mischaracterized As:

- Commissions or Royalties
- Consulting Fees
- Sales and Marketing Expenses
- Scientific Incentives or Studies
- Travel and Entertainment Expenses
- Rebates or Discounts
- After Sales Service Fees
- Miscellaneous Expenses
- Petty Cash Withdrawals

- Free Goods
- Intercompany Accounts
- Supplier / Vendor Payments
- Write-offs
- “Customs Intervention” Payments

This high-level list found within the FCPA Resource Guide should not be considered exhaustive. Financial reporting systems have grown in sophistication over the years and in most companies contain more expense detail commonly used to conceal bribes. For example, recent cases have shown concealment of bribes using Donation Expenses and Translation Services Expenses. It is also common for local actors with knowledge of FCPA requirements to claim reimbursement of potential bribes as “Facilitation Expense” instead of describing the benefit provided by the facilitation payment.

It should be noted that while facilitation payments are allowed under the FCPA, other countries, such as the United Kingdom, outlaw facilitation payments.

(continued on page 3)

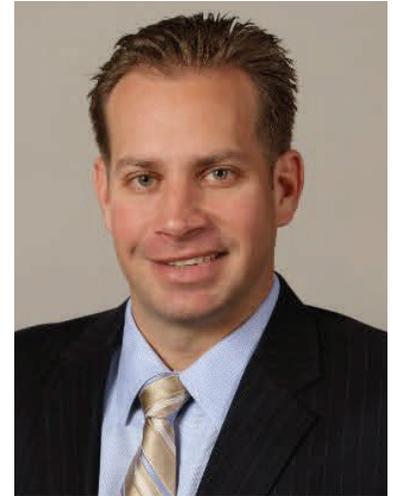


Meet New Chapter Treasurer James Rough!

James Rough is an Associate Director in Navigant Consulting's Disputes and Investigations practice. James graduated Magna Cum Laude with a Bachelor of Science in Economics from Arizona State University. James is a Certified Fraud Examiner ("CFE") and a Certified Compliance and Ethics Professional ("CCEP") with over a decade of experience providing investigation, compliance, financial and accounting services to attorneys, boards of directors, and organizations domestically as

well as in Europe, and the Middle East. James' experience includes whistleblower and Qui-Tam investigations, accounting investigations and restatement services, kickback and FCPA investigations, intellectual property theft investigations, and medical loss ratio consulting services. James has provided white-collar defense consulting services to corporate executives in both criminal and civil actions. James has provided assistance to publicly traded, privately owned, and not-for-profit or-

ganizations in the healthcare, software, manufacturing, and commercial lending industries. James is a proud father of two, member of the Fundraising Task Force Committee for the Children's Museum of Phoenix and a founding member of the Arizona Ethics and Compliance Council.



James Rough, CFE, CCEP
Navigant Consulting Inc.



E-Factor Fall Training Event October 15th!

This story can fit 100-150 words.

The subject matter that appears in newsletters is virtually endless. You can include stories that focus on trends in home buying or selling, home improvement information, or mortgage rates.

You may also want to note business or economic trends, or predict trends for your customers or clients.

Some newsletters include a column that is updated every issue. For example, you could include an advice column or a "how to" article

that focuses on issues such as home improvement. You can also profile new listings or homes you've recently sold.

St. Mary's Food Bank— AZ Chapter Volunteer Event

Board member **Jennifer Radke** organized this volunteer event at St. Mary's Food Bank on May 21, 2013 and stated "It was a successful and rewarding event!! Together in just 2.5 hours, 13 of our chapter members and family members made a difference! They were able to pack 1,320 emergency food boxes that will provide families in need with 17,160 meals. It was great to see some returning volunteers, as well as the opportunity to meet new ones too.

Please feel free to send in any ideas you would like the chapter to consider for future volunteer events.

Keep an eye out for our next event – Paz de Cristo – which will be in November. Hope to see you all there!"





Juliette Gust, CFE
Starwood Hotels & Resorts

Meet New Chapter Board Member Juliette Gust!

Juliette Gust is the Associate Director of Fraud & Investigations for Starwood Hotels & Resorts Worldwide's Global Internal Audit team and also serves as the Project Manager and Core Team Member of the company's Anti-Corruption Program.

Juliette's past experience includes providing advisory services to a diverse group of clients as a Manager and subject matter specialist within PricewaterhouseCoopers' Regulatory, Forensics, and Hospitality & Leisure practic-

es. She has led investigations in the U.S. and abroad on a variety of matters including money laundering, corruption and bribery, embezzlement and financial statement fraud and has presented findings and recommendations before executive boards, federal and state regulatory agencies and audit committees in response to regulatory enforcement actions.

Juliette was graduated Summa Cum Laude from Johnson & Wales University with a double major in Accounting and International Hotel Management. She

also attended the Cornell University Hotel School and the International Hotel Travel & Tourism Institute in Neuchatel, Switzerland. She has been a Certified Fraud Examiner since 2007.

FCPA - Concealment Bribes (cont.)

Definition of a Facilitation Payment per the FCPA resource guide

"The FCPA's bribery prohibition contains a narrow exception for "facilitating or expediting payments" made in furtherance of routine governmental action. The facilitating payments exception applies only when a payment is made to further "routine governmental action" that involves non-discretionary acts."

"Whether a payment falls within the exception is not dependent on the size of the payment, though size can be telling, as a large payment is more suggestive of corrupt intent to influence a non-routine governmental action."

<http://www.justice.gov/criminal/fraud/fcpa/guide.pdf>

Quote of the month



"We will not lie, steal or cheat nor tolerate among us anyone who does."

Honor Code of the U.S. Air Force Academy

Member Spotlight

Nick Piscopo, CFE, EnCE, EnCEP Manager, Corporate Forensic Services Apollo Group, Inc.

Nicholas (Nick) Piscopo is currently the Manager of Corporate Forensic Services within the Apollo Ethics and Compliance department for the Apollo Group, Inc., a leading provider of higher education programs for working adults. Nick has been with Apollo since June 2000 and manages a small group of Forensic Analysts (two of which are Certified Fraud Examiners!). Nick has been conducting forensic investigations for Apollo since January 2004. Nick is also responsible for developing documentation, policies, procedures, and training for the forensic and e-discovery functions. Nick's team conducts forensic analysis for internal customers including, but not limited to: Human Resources, Academic Affairs, Legal, Internal Audit, and Compliance. Nick is also responsible for the creation, development and maintenance of the internal case and legal tracking database which is used internally and by our customers.

Prior to his forensic work, Nick was a desktop support architect where he would evaluate new hardware and software products for use within the enterprise. Nick also has a background in physical security where he gained some early experience with investigations. Nick has experience in web development, SQL databases, and Visual Basic programming. This has come in handy for developing custom solutions, as well as automating metrics and common tasks to help his team perform more efficiently.

Nick completed his Master of Science in Information Systems Engineering from Western International University. He has also completed his Bachelor of Arts in Music Composition from Western Illinois University. Nick has obtained several industry certifications such



Certified Fraud Examiner (CFE), EnCase Certified eDiscovery Practitioner (EnCEP), EnCase Certified Examiner (EnCE), Microsoft Certified Professional (MCP), and CompTIA A+ Certified.

Nick is happily married with two children. In his spare time he enjoys creative editing of family photos, taking in a D-backs game, and a variety of other family activities.



Member Spotlight - Nick Piscopo

What do you like most about your job? - There are so many aspects of my job that I truly enjoy. I enjoy knowing every day will be a new challenge. I also enjoy knowing my creativity, and that of my team, is used to help combat fraud and makes a difference for the Company. Finally, I enjoy the people with whom I have the pleasure of interacting each and every day.

How long have you been a CFE? - I have been a CFE since February 2009

How did you first hear about the CFE credential and the ACFE? - I

first heard about the credential and the organization through a few coworkers who had become certified. After researching further, I decided to pursue the certification further.

Do you think your career has been enhanced through your association with the ACFE and having the CFE credential? The certification has helped further enhance the integrity and credibility of myself, our team, and our organization by allowing us to associate with ACFE and build

an internal and external network of fraud examination professionals.

What recommendations do you have for others wishing to enter the field of e-forensics? - Others wishing to enter the Forensics and eDiscovery should be familiar with computer operating systems (Windows, Linux, MacOS, etc.), computer hardware and technology, legal and forensic case methodology, and evidence handling. Also, seek relevant and current certifications and training.

“The certification has helped further enhance the integrity and credibility of myself, our team, and our organization by allowing us to associate with ACFE and build an internal and external network of fraud examination professionals.”



Ritchie-Jennings Memorial Scholarship Program

The Ritchie-Jennings Memorial Scholarship Program was created in honor of Tracy Ritchie, CFE, and Larry Jennings, CFE who both died in a terrorist attack in Pakistan on November 12, 1997. Through this scholarship program, the ACFE Foundation works to encourage students to pursue careers in fraud examination and provide resources for research on the detection and deterrence of fraud. To date, nearly half a million dollars has been awarded to over 300 students to help further their education.

Scholarship awards include one \$10,000 scholarship, two \$5,000 scholarships, four \$2,500 scholarships and twenty-three \$1,000 scholarships. All scholarship awards include a one-year ACFE Student Associate Membership



Make a Donation Today

Please help to support the program by mailing your contribution payable to the ACFE Foundation. Contributions and questions should be addressed to:

Attn: Scholarship Program Coordinator
Global Headquarters
The Gregor Building 716 West Avenue
Austin, TX 78701
USA (800) 245-3321 (U.S. & Canada only)
Phone: +1 (512) 478-9000
Fax: +1 (512) 276-8127
Email: Scholarships@ACFE.com

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Joseph Agins, CFE — Editor



Please join the AZ-
ACFE [group](#) on LinkedIn

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Board Member: Juliette Gust, CFE



ACFE chapters are organized by members who reside in a particular geographic region (i.e., a city or country) and share an interest in the detection and deterrence of fraud. An added benefit of ACFE membership is the opportunity to get involved immediately with your local chapter. Chapters act as local representatives of the ACFE, providing continued support for members worldwide.

The Arizona chapter provides local training and networking opportunities for its members and others interested in the anti-fraud profession. Many trainings are offered free of charge to our members, and at a nominal charge for guests. Registration for Arizona chapter events is handled solely by the Arizona chapter through our website. The national ACFE association will not be able to provide information or register you for Arizona chapter events.

Membership in the Arizona chapter is separate from membership with the national association. Annual dues are collected for each calendar year; members who have not paid their dues by January 1 are removed from the Arizona chapter member roster until their dues are current.

