

2015 Annual Report



President's Message

By Patty Huling, CFE, CLEA, CPPB



The last 18 months have been very interesting ones for me, as your President – so much has happened and time has flown by so quickly! During this period, we have continued to provide top notch training at a great value on many unique topics, with both NASBA and the AZ POST approved CPE credit to meet the needs of our accounting and law enforcement members. These courses have included a wide variety of topics, including fraud in the food industries, gift card fraud “the currency of criminals” (as used to launder money), and examined a world class Ponzi scheme. We also had the opportunity to experience the personal challenges faced by a successful AZ whistleblower, studied an AZ “red-collar” criminal case, and learned about a new FBI crime classification known as a “Fraud-Detection Homicide.” We discovered how the Maricopa County Sheriff’s Office gained compliance with the U.S. Dept. of Justice through the Melendres Court Order, and got a better understanding of how our Board of Regents serves our Chapter, and all this for an average cost of \$20 per event!

However, my favorite event is our annual Holiday Event, which was held for a second time at the Hotel Palomar, due to the popular demand of our membership. We were very proud to be able to present some very well- deserved awards: the Lifetime Achievement Award went to Mr. Jason Kalish with the Maricopa County Attorney’s Office who prosecuted the Miller Case, and the Sentinel Award went to Ms. Jackie Bloink, the former employee of Carondelet Healthcare who successfully filed a Qui Tam Lawsuit. Both of these Arizonan’s pursued these frauds down a very long road and were finally able to achieve justice on behalf of their victims and it was wonderful to be able to publically recognize their commitment within our own community!

We also reached out to network with several other professional organizations during this term. In July, we networked with the Accounting and Financial Women’s Alliance (AFWA) in which one of our members spoke on “Interviewing Techniques and Administrative Investigations in Healthcare.” In August, we hosted a joint luncheon seminar with our sister organization, the Southern Arizona Chapter of the ACFE in Tucson and received excellent instruction on “Electronic Evidence Gathering, Preservation and Chain of Custody,” and also on the Freedom of Information Act. This April, we will hold a joint training event with the

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Institute of Internal Auditors worth 8 CPE's, which will feature a hands-on ethics event worth almost 4 CPE's, and (2) two-hour presentations on the criminal mind and on ISIS terrorism and fraud, which will include lunch and a social networking happy hour to follow. Mark your calendars for Tuesday, April 19th, as you won't want to miss this outstanding event!

As my term comes to a close, I see many other exciting events in your future! Next month we will host a highly-regarded presentation on Protecting Your Identity, in May we have an event on computer security awareness, which has been said to "scare the pants off of anyone who attends!" and an extra-special presentation in September will feature drug diversion along the southwestern border which all Arizonan's will find fascinating!

And let's not forget about this year's National Global Fraud Conference to be held at the Hotel Aria in Las Vegas this June! We are sponsoring the registration cost for one of our members to attend! We strongly believe in supporting the professional growth of our membership and we continue to offer great opportunities like this for you to take advantage of – so if you always wanted to see what it would be like to attend a conference with over 3,000 other fraud-fighting professionals just like yourself, be sure to take a moment to visit our website and see the different ways we can help you achieve your dreams this year!

Thank you for your support... and "keep on fighting the good fight!"

Arizona Chapter About Us

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. Learn more about our types of membership, or apply today on our Web site: <http://cfe-arizona.org/>

Community Involvement and Professional Networking Report

By Charles Laugen, Director



The Arizona Chapter of the ACFE seeks to serve not only the intellectual and educational needs of our members but also to foster a relationship between our members and local organizations.

In conjunction with a National ACFE training event held in the Phoenix area, all chapter members were invited to a social networking event in January where Chapter members could network along with other ACFE members attending the National Bribery and Corruption ACFE training event. Chapter members had the opportunity to network and to interface with other chapter members and CFE's from around the country in a relaxed social setting.

During our January monthly meeting, a Sock and Toiletries Drive was held for the Justa Center, a homeless shelter dedicated to Phoenix's senior citizens. The Center's purpose is to help those over the age of 55 find appropriate housing, employment, and other needed services.



At the St. Mary’s Food Bank Rock ‘N Box event held in February, “Team AZ ACFE” assisted in the packaging of 660 emergency food boxes and processed over 11,880 pounds of food items for Arizona families in need. The event was lively and volunteers were treated to refreshments, and a trivia contest with prizes.

In April, members supported the Crisis Nursery during their annual K’s for Kids Run/Walk held at the Reach 11 Sports Complex. The Crisis Nursery, now known as Child Crisis Arizona serves thousands of Arizona’s most vulnerable and neglected annually offering emergency children’s shelter care, family-centered education, home visitation programs, and foster and adoptive services.

In November, a canned food drive was held to collect donations for St. Mary’s Food Bank. Thanks to YOUR generosity, the Chapter collected 158 pounds of food and cash donations totaling \$165. That is 50 pounds and \$110 more than last year!

At the December Holiday Meeting members donated 28 toys and \$257 for Toys for Tots Maricopa County to benefit less fortunate children in our community. Thank you to our members for your giving and your kindness toward the less fortunate! If you would like to participate in future events, please contact us at community@cfe-arizona.org or contact any board member.

Membership Report

By Gretchen Augustine, Director



December 31, 2015 concluded another exciting year with a total of 248 members, which is a decrease of 5% from 2014 (see table below). Of this total, there are 188 CFE members, 40 Associate members, 12 Affiliate members, and 8 students. Members of this chapter must be in good standing with the National Association of Certified Fraud Examiners. Please email me with any questions regarding membership at: gretchengilliam@cfe-arizona.org.

	CFE	Associate	Affiliate	Student	Total
2015	188	40	12	8	248
2014	195	38	17	10	260

National Chapter Mission

The Association of Certified Fraud Examiners (ACFE) is the world's largest anti-fraud organization and premier provider of anti-fraud training and education. Together with nearly 75,000 members, the ACFE is reducing business fraud worldwide and inspiring public confidence in the integrity and objectivity within the profession.

The mission of the ACFE is to reduce the incidence of fraud and white-collar crime and to assist the Membership in fraud detection and deterrence.



Professional Liaison Report

By Chuck Kuchar, Director



I was officially voted in as a board member in July 2015. I have contacted the Phoenix Police Department and Maricopa County Sheriff's Office in an effort to establish a liaison relationship. To further this cause, I created a guest pass business card for board and chapter members to distribute to professional (public and private sector) contacts for free admittance to chapter training events. I have created a certificate of appreciation for our Chapter that will be used to recognize individuals in the community who were successful in detecting and deterring fraud. The supervisor of the recipient will also be invited to the presentation and photographs will be taken. By taking a minute or two at chapter training events to recognize these individuals the Chapter will bring more recognition to the ACFE program and recruit new members. If you would like to nominate a deserving individual, please contact me at chuckkuchar1@gmail.com.

Grants and Scholarships Report

By Trisa Cole, Non-Voting Member

The Arizona Chapter of the Association of Certified Fraud Examiners is committed to providing financial assistance to our membership for continuing education and professional development efforts. Each year, a certain amount of money is allocated for use towards these endeavors. The intent of these grants are to assist our members with their individual out-of-pocket expenses, not to replace entity funding.

During 2015, the Chapter awarded a grant for the "Using Data Analytics to Detect Fraud" 2 day course on February 4 – 5, 2016, to Jay Fawcett with the Mesa Police Department. Jay is currently working on his Master's Degree and has been with Mesa Police department for 18 years. This grant assisted him in his current position as an Organized Crime Detective and also contributed to his dissertation for his Masters.

Additionally, in 2016 the Chapter will offer two CFE Exam Incentive Grants for \$500 each, which will be awarded to new CFE's upon the successful completion of the CFE exam. We will also offer two grants to our members for the 27th Annual ACFE Global Fraud Conference (3 day main conference fees) June 13 – 15th, 2016. Please see our Web site for more information on how to apply.

Arizona Chapter Officers

Patty Huling, CFE, CLEA, CPPB
President

Gordon Murphy, CPA, CFE
Vice President

Matthew Bisbee, CFE, CCEP
Treasurer

Lindsey Perry, CPA, CFE
Secretary

Terms of office are two years. Elections occur each summer. Officers must run and be elected into their specific office, as the Board does not assign officers. Officers may run for re-election to consecutive terms.



Continuing Professional Education Report

By Steve Hunt, Director



As shown in the table below, we provided 22 continuing professional education (CPE) hours to our chapter members during 2015, which included seven 1-hour training sessions, one full-day joint seminar with the Phoenix IIA, a 4-hour Tucson event, and a 1 hour joint meeting with the Phoenix AFWA. Our holiday luncheon showcased a local Deputy County Attorney that prosecuted death penalty cases and one of the whistleblowers for the Carondelet Health Network scandal. The luncheon offered 2 training hours and was held at the new Hotel Palomar in Downtown Phoenix, with 71 people attending.

Training Opportunities Provided by the AZ-ACFE Calendar Year 2015				
Training Date	Training Topic	Presenter(s)	Meeting Type	Hour(s)
1/20/2015	The Shadow Economy	David Lake	Monthly Meeting	1
2/10/2015	Joint Event with Arizona IIA – Fraud Conference	Bill Montgomery, Chuck Kuchar, Jerry Balistreri, Terri Alexon, and Martin Biegelman	Spring Seminar	8
3/17/2015	Safety for Fraud Examiners	Steve Hunt	Monthly Meeting	1
4/21/2015	Ethics Panel, Part 1	Charles Laugen, Ann Adams, Christina Altringer, John Blumenstock, and Alyssa O'Neill	Monthly Meeting	1
5/19/2015	Ethics Panel, Part 2	Charles Laugen, John Blumenstock, Brian Dykes, Beverly Huff, and Gordon Murphy	Monthly Meeting	1
7/16/2015	Joint Event with Phoenix AFWA – Interview Techniques for Administrative Investigations	Sarita Douglas	Joint AFWA Meeting	1
8/21/2015	Tucson Event – Evidence Gathering and Preservation and Chain of Custody	Scott Greene and Mark Spencer	Fall Seminar	4
9/15/2015	The Melendres Decision	Bill Knight	Monthly Meeting	1
10/20/2015	ACFE Board of Regents Report	Joe Agins	Monthly Meeting	1
11/17/2015	Food Fraud	Andrea Levy	Monthly Meeting	1
12/9/2014	Violent Frauds and Stories from a Whistle-Blower	Jason Kalish and Jackie Bloink	Holiday Luncheon	2

Arizona Chapter Board of Directors

Gretchen Augustine, CFE
Director - Membership

Charles Laugen, CFE, CFCI
Director – Community Outreach

Steve Hunt, CFE
Director - Training

Chuck Kuchar, CFE
Director – Outreach and Professional Liaison

Trisa Cole, CFE
Non-Voting Member – Scholarships and Grants

Terms of office are two years. Elections occur each summer. Directors are elected into their director positions, and the roles and responsibilities of each director are assigned by the Board and can be changed. Directors may run for re-election to consecutive terms.



Arizona Chapter Newsletter Report

By Christina Altringer, Director



We produced three newsletters in 2015 (spring, summer, and fall), and the winter newsletter, which covered the end of 2015 through early 2016, was published in January 2016. These newsletters were e-mailed to all members and non-members and were also provided in paper format at meetings.

We conducted our annual membership survey to elicit topic and speaker ideas and general feedback from our members. Overall, our members seemed to enjoy the presentations we have offered. When asked about types of industry fraud our members would like to learn about, the industries that garnered the most responses were government, banking/finance, insurance, health care, gaming, and hospitality and tourism. Many members requested more opportunities to hold trainings with other professional organizations and expressed interest in attending social functions, volunteer activities, and sporting events to network with other Chapter members. A few of our members suggested specific speakers for future events, and as a result, one of those speakers is scheduled to present later this year. We also received many interesting suggestions regarding ways to highlight International Fraud Awareness Week held every November. The Board will take all of these considerations into account when planning future events and trainings, and we thank our members for taking the time to provide valuable feedback!

Thank you to those who have contributed articles. Please continue to share your knowledge and success stories with the rest of our members by contributing to the Chapter newsletter. Submissions may be sent to newsletter@cfe-arizona.org.

2015 Treasurer's Report

By Matthew Bisbee, Treasurer



Becoming Treasurer for the Chapter has been a great experience and I'm happy to report that we're already implementing some changes. This Fall we upgraded to QuickBooks online. That took us away from the desktop version we had been using for years and into the cloud. That change has already made us more efficient. Now our data can be accessed securely from any device, transactions are automatically imported, we're supported by QuickBooks 24/7, and we don't have to worry about backups. Looking at 2015, we ended the year in about the same cash position as we did in 2014. As of December 31, 2015, we had \$24,917.31 in the bank

2015 - 26th Annual ACFE Global Fraud Conference

Gordon Murphy, Chapter Vice President, attended the 2015 ACFE Global Fraud Conference in Baltimore, Maryland, where he proudly represented the Arizona Chapter. Highlights from this conference included a session with Dr. James T. Reese, author and Former FBI Criminal Profiler. Some of the more notable comments he made to the group of 3,000 attendees:

- The average person could not do what you do.
- Don't let others control your attitude – how you act, how you feel, or what you say.
- The best defense against burnout is personal growth – learn something new and get balance in your life.
- Have a dream, set a goal, and achieve it.
- Ask yourself what your priorities are – and ask a family member what he/she believes your priorities are.
- It's never too late to be the person you might have been. Find a way to do that.
- Talent is overrated – attitude is everything. The fuel that ignites success is attitude. How do you get a good attitude? One way is believe in what you do for a living.

If you're interested in attending the 27th Annual ACFE Fraud Conference, please visit our Web site for information on group pricing.



(slightly higher than 2014 when we ended with \$23,214). If you have any questions regarding the financials, please email me at matthew.s.bisbee@ehi.com.

Arizona Chapter of the Association of Certified Fraud Examiners
Statement of Activity
January - December 2015

	Total
Revenues	
Holiday Luncheon	3,100.00
IIA and CFE Training Event Revenue	12,930.00
Interest Income	0.17
Membership Due	8,815.00
Monthly Meeting Guest Attendee	139.31
Temporarily Restricted Donations	0.00
Tucson Meeting Revenue	20.00
Total Revenue	\$25,004.48
Gross Profit	\$25,004.48

Expenditures	
ACFE Data Analytics Meeting	695.00
Board Meeting Costs	455.51
Credit Card Fees	1,226.00
Dues & Subscriptions	131.04
Holiday Lunch Expense	5,305.95
IIA and CFE Training Event Expense	10,974.28
Insurance – Liability	250.00
Legal & Professional Fees	40.00
NASBA Registration Fees	725.00
National Conference Expense	800.00
Other General and Admin Expenses	98.00
Promotional	25.00
Event Registration Fees	70.00
Social Networking Happy Hours	818.94
Web Hosting Star Chapter	1,224.95
Total Expenditures	\$22,839.67
Net Operating Revenue	\$2,164.81
Net Revenue	\$2,164.81

Arizona Chapter Contact Information

Address:
ACFE Arizona Chapter
Post Office Box 41323
Mesa, AZ 85274-1323

Web site:
<http://cfe-arizona.org/>

Printing for this publication courtesy of
Navigant Consulting

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