

2014 Annual Report



President's Message

By Patty Huling, CFE, CLEA, CPPB



The last six months of 2014 have been exciting ones for me, as your new President! I am very happy to report that we were able to continue to provide our membership with a variety of new events and the unique educational presentations that they have come to expect from the AZ Chapter of the ACFE! In keeping with our past traditions, we held our summer seminar in Tucson worth 3.5 CPE's led by our very own Board member Jim Rough on Communicating with Regulators and Enforcement, while in the Fall, we offered a 4 CPE event on Effective Interviewing and Detecting Deception, and this year our Spring 2015 event which will be held in conjunction with the Phoenix Chapter of the Institute of Internal Auditors for 8 CPE's.

The AZ ACFE's top priority is to continue to provide you with premium quality special events like these at a minimal cost. In fact, during calendar year 2014 the total cost for a CFE to renew their annual dues and attend every one of our events comes out to an average cost of \$20 per event. Included in that cost was our Holiday luncheon held at the Hotel Palomar, which was unbeatable. I think we have accomplished our main goal!

The Chapter was also very pleased to make some special awards in 2014, including the Outstanding Contributor award made to Ms. Erin Hager for her painstaking work and dedication in automating our Web site. Our Board and membership will enjoy many conveniences made possible through Erin's initiative for many years to come. We truly cannot thank her enough for making "Star Chapter" a reality for us and bringing us into the 21st Century. Thank you again, Erin!

In addition, our chapter was delighted to publically recognize the AZ Veteran's Administration whistleblower, Dr. Samuel Foote, MD with our Chapters first ever "AZ Sentinel Award" for his courage in "Choosing Truth Over Self" and our first ever "AZ Guardian Awards" for "Vigilance in Fraud Reporting" to investigative reporters Mr. Dennis Wagner and Mr. Craig Harris. Thank you so much for serving our community by example and in leading the "good fight"!

In 2014 we held three holiday charity drives and also provided our membership with happy hours and professional networking opportunities, as they requested

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by survey results. As always, we continue to support our membership with scholarship and grant opportunities to gain the education they need to advance their careers. We were even able to support the growth and advancement of the new Tucson Chapter of the ACFE with a check in the amount \$1,000 and are looking forward to hosting joint events with our new sister chapter to the South!

Going forward, we plan to conduct additional surveys to insure that we are our meeting our members' current needs, as those are always our number one priority. We look forward to serving our membership in 2015!

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



Serving the needs of our members and our community have been two key goals of the Arizona Chapter. Following a chapter wide survey in late 2013 where members expressed a desire for additional chapter networking opportunities, the Chapter Networking Committee planned and executed two networking specific events, in addition to the scheduled training and chapter events.

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 ACFE training event. A local consulting firm, Navigant Consulting Inc., sponsored the event and provided appetizers and refreshments for both the Chapter and training event attendees. This was an excellent opportunity for chapter members to interface with other chapter members, as well as CFE's from around the country, in a relaxed social setting.

A professional networking reception was also held in May at a local Scottsdale brewing company and restaurant. Appetizers and refreshments were provided by the Chapter and members had another great opportunity to interact with other members in an informal social atmosphere.

The holidays brought time to reflect on the needs of our community. In November, we held a canned food drive to collect donations for St. Mary's Food Bank. Thanks to the generosity of our members we were able to donate a total of 108 pounds of food and make a cash donation of \$55. In conjunction with our 2014 Holiday Training Event in December, a drive was held to collect toys for Toys for Tots. Thanks to our members' generosity, we were able to provide a donation of \$230 in cash and 50 toys for Arizona children in our community. Thank you to our members for your giving and your kindness toward the less fortunate!



Membership Report

By Gretchen Augustine, Director



December 31, 2014 concluded another exciting year with a total of 260 members, which is an increase of 6% from the prior year (see table below). Of this total, there are 195 active CFE members, 38 Associate members, 17 Affiliate members, and 10 students. Members of the Arizona 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
2014	195	38	17	10	260
2013	178	32	20	15	245

Professional Liaison Report

By Tim Reddick, Director



The Professional Liaison Committee was established in later 2013 to improve the Arizona Chapter’s coordination and communication with other organizations whose mission or membership have similar responsibilities as ACFE or have a need for ACFE resources.

The Committee made presentations at the following and highlighted the ACFE and benefits of membership in the organization.

- The Inspector General Institute, Inspector General Certified Investigator Program
- Southwest Security Conference
- Arizona Bankers Association, Investigator Annual Conference
- ASIS International Annual Seminar

In furtherance of the committee objectives, the committee also established or has current contacts with the following organizations:

- Arizona Chapter of ASIS International
- Arizona Bankers Association
- Arizona Chapter of the FBI National Academy Associates
- Arizona Chapter of the Institute of Internal Auditors

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.



- International Association of Financial Crimes Investigators (AZ ACFE Board Member)
- United States Attorney's Office - District of Arizona
- FBI Phoenix Field Office (AZ ACFE Newsletter Editor)
- Scottsdale Police Department
- Phoenix Police Department
- Mesa Police Department
- Apache Junction Police Department
- The Office of the Arizona Attorney General
- Arizona Office of the Auditor General, Special Investigations Unit (AZ ACFE Board Member)
- Arizona Department of Economic Security, Office of Inspector General
- Arizona Department of Health Services
- Arizona Health Care Cost Containment System (AHCCCS) Office of Inspector General
- Arizona State University, University Audit and Advisory Services (AZ ACFE Board Member)
- Maricopa County Office of Procurement Services (AZ ACFE Board Member)
- ASIS International, Investigations Council
- International Association of Chiefs of Police
- The Association of Inspectors General

Student Affairs and Grants/Scholarships Report

By Juliette Gust, Director



The Student Affairs function for the Arizona Chapter now consists of one Board member committed to ensuring that students in Arizona are offered opportunities to become members, enroll in training sessions, apply for grants and scholarships, and benefit from established CFEs who are willing to volunteer their time to provide career and technical guidance to those students interested in considering a career in forensic accounting. Thank you in advance to any members who wish to serve on the Student Affairs Committee and/or participate as a guest lecturer or mentor to our community's students.

Currently there are various grant and scholarship opportunities posted on the Chapter's Web site (see the Grants and Scholarships section for additional information). In addition, as one of the Board members and Chair of Student Affairs, I serve as a guest lecturer on Fraud and Investigations at the University of Arizona for a group of graduate-level accounting students every semester. Lindsey Perry, fellow Board Director, will also speak on the topic this spring at the Northern Arizona University.

Arizona Chapter Officers

Patty Huling, CFE, CLEA, CPPB
President

Gordon Murphy, CPA, CFE
Vice President

James Rough, 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.



The Grants and Scholarships function for the Chapter consists of three Board members and one Committee member. In 2014, this committee awarded two grants to attend the 25th Annual ACFE Conference, and one grant for the national ACFE seminar on Bribery and Corruption (awarded in January 2015).

Continuing Professional Education Report

By Alyssa O’Neill, Director



As shown in the table below, we provided 20.5 continuing professional education (CPE) hours to our chapter members during 2014, which included seven 1-hour training sessions, two half-day seminars, a 3.5 hour Tucson event, and a 2 hour joint meeting with the Phoenix AFWA. Our holiday luncheon showcased local investigative reporters and one of the whistleblowers for the VA scandal, and was held at the new Hotel Palomar in Downtown Phoenix, with 82 people attending.

Arizona Chapter Board of Directors

Gretchen Augustine, CFE
Director - Membership

Juliette Gust, CFE
Director – Student Affairs, Scholarships, Grants

Charles Laugen, CFE, CFCI
Director – Community Outreach

Alyssa O’Neill, CFE
Director - Training

Tim Reddick, CFE, CPP, PCI
Director – Outreach and Professional Liaison

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 reelection to consecutive terms.

Training Opportunities Provided by the AZ-ACFE Calendar Year 2014

Training Date	Training Topic	Presenter(s)	Meeting Type	Hour(s)
1/21/2014	Current Cyber Threat Landscape	John Iannarelli	Monthly Meeting	1
2/18/2014	Fraud in Education	Nancy Patt	Monthly Meeting	1
3/18/2014	Whistleblower Case Study	Tim Reddick, Cathy Scharf, and Joe Adams	Spring Seminar	4
4/15/2014	Money Laundering through Crypto-Currency Systems	Joshua Lee	Monthly Meeting	1
5/20/2014	How to Read Body Language	Jerry Balistreri	Monthly Meeting	1
7/17/2014	Fraud Detection & Prevention Case Studies	Janine Amity	Joint AFWA Meeting	2
8/22/2014	Communicating with Regulators and Enforcement	Jim Rough, Brett Johnson, and Panel	Tucson Meeting	3.5
9/16/2014	Government Fraud	Lindsey Perry	Monthly Meeting	1
10/21/2014	Effective Interviewing & Detecting Deception	Louis Pichini and William Monks	Fall Seminar	4
11/18/2014	Fraud Considerations for Non-Profit Organizations	David Halm	Monthly Meeting	1
12/9/2014	Watchdog Journalism: Exposing Public Corruption with Help from Whistle-Blowers	Dennis Wagner, Craig Harris, and Sam Foote	Holiday Luncheon	1



Arizona Chapter Newsletter

By Christina Altringer, Newsletter Editor



I became the Newsletter Editor at the end of September 2014, and soon thereafter, produced the Fall 2014 issue on October 21st and the Winter 2014 issue on December 9th. The newsletters will be issued quarterly going forward. Printed newsletters were offered at meetings, and the newsletter was also e-mailed to all current and former members and posted to the Chapter's Web site. The newsletters included articles written

by our members; messages from the Chapter president; information about local and national trainings, including the ACFE national training held in Phoenix in January 2015; member spotlights; and community service highlights. In addition to creating the newsletters, I prepared flyers for a food drive and a sock/toiletry drive, and distributed those flyers to our members via e-mail and the Chapter's Web site.

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.

2014 Treasurer's Report

By James Rough, Treasurer



I am honored to have served as the Arizona Chapter's Treasurer this past year; it has been a year of growth and change and I'm confident that the future of our growing Chapter is bright. The Board met one of its goals of investing more of the Chapter's cash reserves back into the Chapter. One of these investments was the creation and production of

a 25th Anniversary video which was played at the 2014 ACFE National conference and can be found on our chapter website at: http://cfe-arizona.org/content.php?page=25th_Anniversary_Celebration

While working on the video, we had also requested and received videos from Arizona Diamondbacks CEO Derrick Hall; Maricopa County Sheriff Joe Arpaio; and Valley Youth Theatre's "Jungle Book" cast. If you have not seen the videos I encourage you to take a look.

While the last couple of years have been a most rewarding and invaluable experience, in August, my term will be up and I will not be running for another term. The chapter will be electing a new slate of board members and officers, so please consider supporting your chapter by running for one of the positions.

Arizona Chapter 25th Anniversary

The Arizona Chapter celebrated its own 25 year anniversary in 2014 along with the national ACFE. The Board created a video to celebrate the occasion and also received congratulation videos from various local business leaders, government leader, and others, including Arizona Diamondbacks CEO Derrick Hall, Maricopa County Sheriff Joe Arpaio, and Valley Youth Theater's Jungle Book cast! You can view our 25th anniversary video on our Web site: <http://cfe-arizona.org>.



As of December 31, 2014, the Arizona Chapter had \$23,214.96 in Cash. Presented below is the Arizona Chapter's Income and Expense report as of December 31, 2014.

Income Statement:

Income	
Membership Revenue	\$ 8,100
Event Revenue	13,310
Other Revenue	417
Total Income	21,827
Expense	
Social Networking	\$ 1,692
Networking and Training Events	13,610
Scholarship & Grants	4,223
Web Hosting	1,225
ACFE National Conference Travel	3,300
Conference Registration	575
Community Involvement	1,564
Banking Fees	942
Printing and Supplies	1,070
Other Admin	800
Total Expenses	\$ 29,002
Net Income (Loss)	\$ 7,176

Arizona Chapter Contact Information

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

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

I look forward to a bright 2015 and your continued involvement with the Arizona Chapter. If you have any questions about the Treasurer position, please feel free to contact me at jrough@navigant.com.