



PD OPPORTUNITIES

CANADA

**2008 CANADIAN
ACFE FRAUD
CONFERENCE**

Vancouver, BC

May 4-7, 2008

Check out the details at

www.acfe.com
or
www.cfevancouver.com
for additional details.

If you're planning to be in Toronto in the near future be sure to check Toronto Chapter's upcoming events on pages 4 & 5

Don't forget that Vancouver hosts monthly luncheon & learning sessions on the 4th Wednesday of each month

Spring 2008 Edition

Welcome to the 2nd Edition of the Canadian Association of Certified Fraud Examiner's Newsletter.

The Vancouver Chapter is pleased to be not only the feature Chapter in this Spring Edition of the newsletter but also the host of the 14th Annual ACFE Canadian Fraud Conference, scheduled for May 4th through 7th. We urge you all to consider attending Canada's premier fraud conference and to come visit our city. If you decide to join us for this premier event and feel you need any additional information, please do not hesitate to contact any of our board members. Contact information is available on the Vancouver Chapter's website.

The 2008 Board of Directors for the Vancouver Chapter:





The Vancouver Chapter was formed 12 years ago and has continued to grow on a yearly basis to the current size of approximately 150 members. The chapter is served by a nine person board of Directors, the past president and a chapter secretary.

The current President is **Colin Parcher**, (seated 2nd from the left) who is in his 3rd term as President and his 5th year on our board. Colin is the Manager, Investigative Services with the British Columbia Financial Institutions Commission. Colin is also in his 4th year as the chapter Training Director and sits on the Professional Development Committee.

The Vice President is **Russ Lefler**, (standing in the middle) who is in his 2nd year on the board. Russ is a field investigator with WorkSafe BC, which is British Columbia's Workers Compensation Board. Russ is also the editor of the Canadian newsletter; he oversees the chapter website and assists with the chapter newsletter.

Christine George, our Treasurer, (to Colin's left) is also in her 2nd term with the Vancouver board and is a Senior Manager and forensic accountant with the Deloitte Vancouver office.

Carmen Wiechers (standing 3rd from the left) is our current chapter Secretary and is also in her 3rd year with the board. Carmen, a past Walker Award winner, is the Director of Loss Prevention for Rogers Retail Canada.

Kim Marsh (standing 2nd from the left) has returned to the board after taking a couple of years off and sits on the Professional Development Committee. Kim has served as Training Director and President, as well as other positions on the board. Kim is the managing partner of IPSA International Vancouver office.

Jim Blatchford (standing far right) is also a past President and has held several other board positions. He is the current Ethics Director and sits on the Membership Outreach Committee. Jim is a Principal with Grant Thornton LLP in Vancouver.

Patricia McDowell (standing 3rd from the right) is in her 4th year on the Vancouver board and is the editor of the Vancouver Chapter's award winning newsletter. Pat is an independent forensic auditor and investigator.

Dean Davison (standing 2nd from the right) is a partner with Davison, Wiebe, Douvelos LLP ("DWD") and is in his 2nd term with the board. Dean has served as Vice-President and currently sits on the Membership Outreach Committee.

Jo Orton (standing far left) is in her 1st term and currently sits on the Membership Outreach Committee and assists other committees where needed. Jo is a forensic auditor with the Law Society of British Columbia.

Linda Murray (seated on Colin's right) is our Past President and has been active with the Vancouver Chapter for a number of years. She continues to support the board



despite having moved to Vancouver Island where she is the Risk Manager with the City of Nanaimo.

The Vancouver board has been supported for years by **Jean Michel** (seated far right) who arranges all meetings, agendas, minutes, along with everything else that she is called on to do. It has long been recognized that Jean is the chapter's most valuable asset.

The Vancouver Chapter is proud to have earned the honour of being chosen as winner of the **ACFE Newsletter of the Year Award** for the second time. Our own **Pat McDowell** was instrumental in creating the monthly newsletters that have garnered international recognition. This prestigious award was presented at the 2007 ACFE National Conference in Orlando, Florida. Great Job Pat!!

The Vancouver Chapter meets on the 4th Wednesday of each month - September through June. In November we schedule our Annual General Meeting preceded by a ½ day training session and in December there is a holiday lunch social where we also raise money for a local charity. The remaining months have terrific luncheons which feature local speakers who present a variety of fraud related issues as well as public interest topics.

We have also partnered with the Vancouver Chapter of the Institute of Internal Auditors and hosted two very successful fraud conferences. We look forward to our continued relationship with the IIA.

The Chapter is also very active within the community through public speaking events, the print media and participating in college and university career fairs.

The Vancouver Chapter promotes the ACFE Foundation Ritchie-Jennings Scholarship to all qualifying post secondary institutions in British Columbia, as well, the Chapter has its own scholarship, the Certified Fraud Examiners - Wayne McIlroy Memorial Scholarship, which is awarded annually to the qualified recipient.

The Chapter also hosts a website that provides a variety of information including local, national and international training opportunities. The website, www.cfevancouver.com also contains links to our newsletter. We invite you to check out both our website and last year's award winning ACFE newsletter.

CONTACT NUMBERS FOR THE 2008 VANCOUVER CFE BOARD

Colin Parcher 604 953 5232	Russ Lefler 604 214 4893	Dean Davison 604 685 6864	Christine George 604 640 3355	Carmen Wiechers 604 303 2034	Kim Marsh 604.633-1750
Pat McDowell 604 885 0331	Jim Blatchford 604 443 2125	Linda Murray 250 390 0114	Jean Michel 604 682 1562	Jo Orton 604 605 5385	



Toronto Chapter

Toronto Chapter ACFE Upcoming Events

The Toronto Chapter is very active in their pursuit of professional development opportunities for their members and other interested groups in their community. We strive to offer at least one event per month from September to June each year.

The following topics will be presented during the months of March, April, May and June. Sessions begin at 5:00 pm with networking and a light meal and generally conclude around 7:00 pm.

For further details, please visit our website at www.acfetoronto.com

March 17, 2008

Multi-Jurisdictional Fraud, Money Laundering, Asset Tracing and Recovery A Case Study

In 2001, a Branch Manager with a Canadian based bank was found murdered outside of Mexico City, having been severely tortured. This murder led to the discovery of the fraudulent removal of US\$13,000,000 from an investor's account managed by the Branch Manager. These funds were transferred into fraudulently created accounts in Switzerland, then flipped back to the U.S. and used in the purchase of 3 aircraft. Further investigation revealed the involvement of a significant drug cartel, including a prominent political figure.

The flow of funds were traced from their origin through to the purchase of the aircraft, and with the assistance of crafty litigators and three federal law enforcement agencies, the aircraft were seized and the majority of the proceeds from the fraud recovered. The perpetrator was indicted in two jurisdictions and is currently incarcerated in a Mexican prison, with little likelihood of release.

Some stories need to be told – this is one of them.

Presenter: Jeffrey Filliter, CFE, Currently Principal – Investigations with LECG. An expert in international asset tracing and recovery, due diligence, all criminal and civil investigations, interviewing techniques, rules of evidence, risk assessment and mitigation, and preventative strategies.



Jeff worked 11+ years with Scotiabank Security & Investigations Department as Senior Manager – Domestic and International Investigations and Loss Prevention. Handled extensive investigative case load including all aspects of fraud, forgery, corruption and collusion, money laundering, terrorist financing, defalcations, due diligence, debit & credit fraud, market manipulation, and investment fraud. He served 22+ years with the RCMP across Canada working uniform duties, Organized Crime and Narcotics, Undercover Surveillance, and Commercial Crime. Investigated offences against municipal, provincial and federal statutes, including but not limited to: murder, assault, sex crimes, Customs Act violations, bankruptcies, corporate fraud and white collar crime, stock market manipulation, Income Tax Act violations, secret commissions, political corruption, proceeds of crime and money laundering. While in Commercial Crime he was responsible for major project investigations throughout southwestern Ontario and internationally. He conducted investigations in 32 countries for Scotiabank. Developed extensive global contact base as a result.

Jeff received the Commanding Officer's Commendation for Investigative Prowess and Commitment to Duty with the RCMP. He was recognized as a Professional Witness for wire transfer fraud in the U.K. and recognized by U.S. Secret Service, Scotland Yard, FBI White Collar Crime Task Force, and FBI for Exemplary Investigative Effort and successful prosecutions in a number of multi-jurisdictional / multi-national cases.

Please visit our website for information on how to register for this event.

April 10, 2008

E-commerce Fraud

Presenters: Ed Ng, Ed Ng & Associates Inc. and Marcus Li, Jason Conley & Associates.
Details will be posted on our website closer to the event.

April 24th, 2008

Joint Breakfast Meeting with ISACA (Information Security Audit and Control Association) **Topic: High Tech Crime.**

For Registration go to: www.isaca.toronto.on.ca closer to the date.

May, 2008

Whistleblower Hotlines, Preventing and Detecting Fraud

Presenter: Monique Deguire, Director of Internal Audit, Centerra Gold
Details will be posted on our website closer to the event.

June, 2008

Implementing an Anti-Fraud Program

Will include a discussion on policies, training, communications, fraud risk assessments and fraud response planning.

Presenter: Linda Lister, Ernst & Young's Fraud Investigation & Dispute Services group. As a Senior Manager at Ernst & Young, Linda specializes in theft and fraud investigations and corporate financial restatement activities. Her article on Fraud Risk Assessments was featured in the Internal Auditor magazine, December 2007 issue. Details will be posted on our website closer to the event.



Edmonton Chapter

The Edmonton Chapter of the ACFE is Edmonton's leading professional network in the anti-fraud industry. The Edmonton chapter was formed in the mid 90's and presently has 45 members. The membership covers a variety of industries including the Federal and Provincial governments, insurance banking and private investigations.

The Edmonton chapter holds a training session in conjunction with a breakfast at the Edmonton Petroleum club. The meetings are held the first Wednesday in October, December, February, April and June. The June session is also when we hold the AGM.

The board of directors consists of seven members. The president is Steve Hrynchuk who is a retired Edmonton Police service member and is presently working as an investigator with the Alberta Gaming and Liquor Commission. The vice president is Carol Ann Kushlyk who is the Vice President Corporate Services and CFO for Nor Quest College. Karla Fedorak is our treasurer and she is an investigator with the Special Investigation Unit with Service Alberta. Mike Leclair is our secretary and Heath Rodgirs who looks after coordinating our breakfast session's are both employed as Investigators in the Enforcement Division with the Canada Revenue agency. Stephen Kiss who is the past president along with Peter Ifi from the RCMP look after our website and getting the information out to the membership.

If you are ever in the Edmonton area please feel free to join us at one of our breakfast sessions. For more information on the Edmonton chapter please visit our website at: www.acfe-edmonton.com



Saskatchewan Chapter

Greetings to all from Saskatchewan where the snow is deep and the lakes are still frozen! The Saskatchewan Chapter has had a relatively quiet quarter as we worked our way through winter, publicized our Chapter activities in order to increase our membership and participated in a joint training session with the Saskatchewan Chapter of the Institute of Internal Auditors.



We plan on sending a delegation to the annual Canadian Conference of the ACFE in Vancouver in May and very much look forward to the session; the agenda is impressive!!

We have recently awarded our annual scholarship at the University of Saskatchewan. One of our Chapter Directors is a professor at the University and among other classes, he teaches a fourth year Commerce class in Fraud Detection and Prevention. This annual scholarship goes to the student scoring highest in the course.

The Chapter also awards \$500 scholarships to two high school students in Saskatchewan who submit essays on a topic selected by the Chapter Board. This process is underway for 2008.

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Montreal Chapter

The Montréal Chapter of the Association of Certified Fraud Examiners will be having its next professional development session on Wednesday, March 19, 2008. It will take place at the Sûreté du Québec General Headquarters on Parthenais Street in Montreal. The two guest speakers will be Lieutenant Intérimaire Rolland Fréchette and Sergeant Benoît Pinet who will be speaking on Corruption and Perpetrators in the Private and Public Sectors. Lieutenant Fréchette has successfully completed numerous complex investigations targeting both public administration and the private sector. Sergeant Pinet possesses a vast amount of fraud-related experience, notably a segment of the federal investigation relating to Jean Lafleur and his role in the sponsorship scandal. This event will be followed by a wine and cheese cocktail reception.

The Montréal Chapter held a successful professional development session in November 2007 when Jean-François Legault of Samson Bélair / Deloitte and Touche spoke on Intellectual Property Theft.

Our Chapter's Annual Conference will take place on Friday, May 16, 2008. It will be held at the Holiday Inn Midtown and we will be having high-profile speakers such as



François Filion and Chris Shadbolt from Navigant Consulting, Steve Harrar of Nexia Friedman and Renaud Lachance, the Québec Auditor General, as the luncheon keynote speaker.

One of our Chapter's ongoing projects in 2008 concerns the redevelopment of our website in order to better serve the needs of our members.



Calgary Chapter

Regrettably the Calgary Chapter was unable to supply a submission for this edition

SouthWestern Ontario and Ottawa Chapters

Regrettably these two Chapters were also unable to supply a submission for this edition



A final word from Austin

I would like to thank Colin Parcher and the Vancouver chapter of the ACFE for agreeing to spearhead the effort to get this newsletter going. As a member of your local chapter, you get to take advantage of numerous seminars and conferences as well as networking opportunities locally. This newsletter offers you the chance to see what training is available in other cities and expand your networking base countrywide.

No matter what size your chapter is, there is one underlying fact – you get out of your chapter what you put into it. Since chapters are made up of volunteer leaders, you – as a member – have the opportunity to offer your services to the chapter, no matter how small they might be. Maybe you have an outgoing personality and can talk to strangers with ease. Not all of us can do this, and an attribute like this would serve the chapter



well as a greeter when new members come to chapter meetings. Think back to when you attended your first meeting. Did someone personally welcome you to the chapter meeting, or did you just find a seat and sit quietly waiting for the presentation to begin? If you were personally greeted, I'm sure it made you feel like the chapter was glad to have you as a member and that you were more than just another attendee.

Maybe you know someone in your office who is knowledgeable on a particular fraud issue and might make for a good speaker. If he or she is willing to speak, you have just saved someone on the chapter board a lot of time and frustration, as sometimes it can be challenging finding speakers for events.

These are just a couple of examples of things that only take a few minutes of your time yet allows for a more enjoyable experience for everyone in the chapter. You may not be able to contribute time as a board member, but helping out where you can will make your time with the chapter a rewarding experience for you and others.

As mentioned earlier in the newsletter, the ACFE's 14th Annual Canadian Fraud Conference is in Vancouver this year. The dates are May 4-7. The ACFE has lined up a great group of speakers who will discuss issues affecting fraud examiners throughout Canada. We've also added a Pre-Conference to this year's event. This conference continues to grow every year and is an event you should not miss!

Jeff Kubiszyn
Chapter Development Manager
Association of Certified Fraud Examiners

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News Making Fraudster - (condensed from the Vancouver Sun Newspaper)

A phony BC accountant with no official degree repeatedly stole from clients and the taxman and was recently jailed for 4 years and fined \$254,910. Stanley NISBET, who operated a tax preparation business in Delta, BC for over a decade, would advise clients that they falsely owed money to the Canada Revenue Agency and recommended they pay him directly so he could submit payment. NISBET in turn would tell CRA that the client was entitled to a refund, which would then be deposited to his business account. NISBET was arrested in his native England by the RCMP and has admitted to fraudulently obtaining more than \$250,000 as a result of filing false GST and tax returns for many of his clients over the years. His schemes included:

- ❖ Claiming GST refunds to which his clients were not entitled,
- ❖ Creating false business or rental losses to generate a refund, or claiming false income and source deductions to generate a refund for clients who did not owe tax
- ❖ Stealing refunds to which clients were genuinely entitled.



Playing it Safe Online – Don't become a victim of fraud

Online trading is popular because it saves money in brokerage fees, but also has security risks. Up to 15 per cent of Canadians manage some investments online, according to Doug Coulter, President and CEO of RBC Direct Investing.

Some guidelines for your protection:

- ❖ Make sure your computer's anti-virus software is updated and protect your wireless networks
- ❖ Select a unique password and change it regularly
- ❖ Information security expert, Rei Safavi-Naini, a professor at the University of Calgary, says Canadians can trust that financial institutions' websites are safe. It's the phoney websites set up to steal customer information and insecure connections that could allow a third party to spy on your transactions that people need to worry about, she says
- ❖ Only log onto sites you know and trust – and only from a computer you know is secure
- ❖ Phishers seek new victims through imposter e-mails that lead unsuspecting internet users to enter their personal information on phoney sites. They use keystroke-logging programs to steal passwords from people using insecure networks or computers in public places
- ❖ Phony sites set up by phishers will contain telltale characters – such as logos that are slightly off – but are often difficult to spot at a glance
- ❖ Never follow links sent via e-mail, and only enter your personal information if you entered the site address yourself
- ❖ Web brokers are constantly trying to stay one step ahead of the perpetrators, says James McGuire, vice-president of online strategy and client experience for RBC. It has a detection team watching traffic on its websites to look for strange transactions.

Excerpt from the Vancouver Sun Newspaper & CanWest News Service