

AZ Anti-Fraud Insights

The Arizona Chapter of Certified Fraud Examiners

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Contact the Editor

AZACFEeditor@gmail.com

Article Submissions due by the 30th

Winter in Arizona is the season when the leaves start to change, the weather is cooler, and...your CPE is due. We have lots of upcoming trainings to help you meet your CPE needs before the busy holidays.

The Arizona chapter of the ACFE strives to bring you the most up-to-date training to help you meet your fraud investigation needs. But we need your help.

Please feel free to send any of the board members, or myself, any suggestions on training or topics that you are interested in.

Lastly, the AZ ACFE is in the process of updating our website. Please be patient, as services may be temporarily disrupted as we transition.

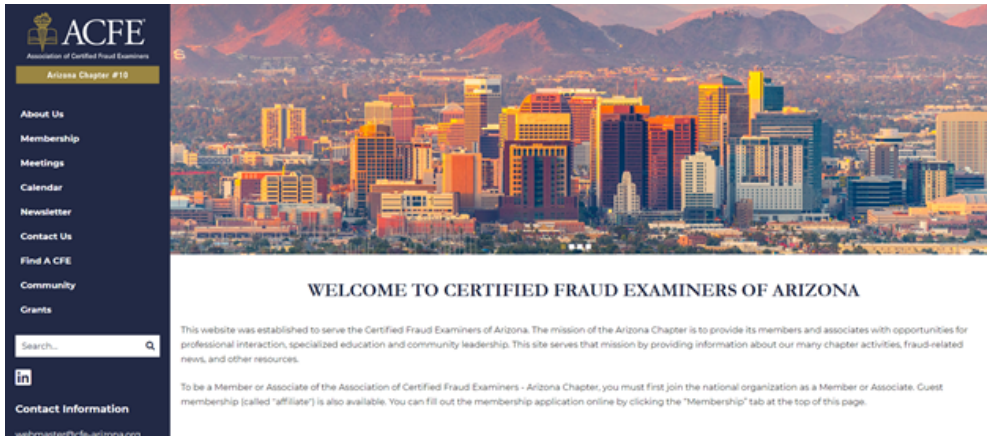
Have a great winter!

Joshua Lee, CFE
Editor

The fraudster's greatest liability is the certainty that the fraud is too clever to be detected.

Louis J. Freeh

NEW ACFE ARIZONA WEBSITE



Make sure to update
your **"Find a CFE"**
directory on the
Arizona ACFE website



Dear Membership,

As you may know, the ACFE Foundation administers the Ritchie-Jennings Memorial Scholarship, which provides scholarships to students worldwide who have an interest in pursuing an anti-fraud career. The application period for the scholarship just opened today and is open until February 4, 2022.

Many of our local chapters have close relationships with nearby universities. This is the perfect opportunity to reach out to those schools and encourage their students to apply for a scholarship.

Interested students may visit [ACFE.com/Scholarship](https://www.acfe.com/Scholarship) for eligibility criteria and to complete the online application.

Thank you

Joe Broccolo



Larry Jennings



Tracy Ritchie

Arizona ACFE Member Spotlight

Paul J Updike, MBA, CFE, Faculty Practitioner UOP specializes in solving small business problems that are operational, financial, accounting-related, and fraud-related. He earned two degrees from Brigham Young University (BA & MBA) and has 30-plus years of experience as a Chief Operating Officer, CFO, Controller, Financial Analyst and Cost Accountant for Motorola, Rogers Corporation, HS Crocker, Flagstaff Engineering, and other multi-million-dollar organizations. Currently, Paul focuses on performing Forensic Accounting for fraudulent and other complicated matters and serves as an expert witness when cases go to trial.

In 1989, Paul J Updike established Executive Financial Management, or EFM Consulting – solving small operational, fraud-related, financial, or accounting-related business problems, including serving as Wide World of Maps interim CFO from 2008 - 2015 (www.azcost.net). Paul is a member of the online faculty for the University of Phoenix, teaching Economics and Finance (including accounting classes) to MBA candidates and others at the University of Phoenix.

Paul also serves as the Treasurer of the Arizona Chapter of the ACFE.

Paul enjoys cooking in his spare time. Please see the next page for his favorite recipe.



Member Report

Active Arizona Members as of October 2021 - **187**

NEW Certified Fraud Examiners for 2021 - **44**

NEW Certified Fraud Examiners for 2020 - **63**

We have an impressive 832 CFE's and 345 Associate members that call Arizona home. If you know of someone that is a CFE and not yet a member of the Arizona Chapter, talk with them about the benefits of joining! If you have any questions, you can reach out to: membership@cf-arizona.org

Join our “Find a CFE” contact list on the website if you would like to be contacted for potential opportunities!



Win Your WinterPotluck with These Recipes

Modified (Cari's) Enchilada Casserole – Paul Updike

Ingredients

- 3 cans chicken breast, drained
- 12 – 15 corn tortillas, edges cut to fit tightly
- 2 x Cans of black beans, drained
- 2 x Cans of vegetarian refried beans
- 3 x Cans of Contadina Tomato Sauce
- 1 pound shredded Mozzarella Cheese
- 1 C Peach Salsa
- ¼ C Mango Salsa

Spices: pepper, savory, garlic salt, onion salt, sprinkle chili lime, blended, about 1 teaspoon

Mix well, except for one can of tomato sauce and ¼ C cheese.

Use 9 x 13 x 2.5 inches deep cake pan

Instructions:

Layer corn tortillas on the bottom, add half the mixture carefully, to make an even layer, then cover with cheese, the repeat another layer without cheese, then add another carefully layered corn tortilla, covered with tomato sauce then finally covered with cheese.

Bake for 60 minutes at 375 degrees, last 5 minutes Broil for 4-5 minutes, adding ¼ C cheese to top. Add cooked frozen corn, or corn on the cob, if desired.

Best Chili Recipe - Submitted by Sandy Badolato

Full recipe found at: <https://www.meatchurch.com/blogs/recipes/texas-chili>

Ingredients

- 2 lbs of ground meat (Venison also great, Matt's fav)
- 1 lb of HOT breakfast sausage
- 1 lb of chuck roast (Alternatively Matt loves using brisket, venison medallions or quarters.) This ingredient is key to making it hearty.
- 3 medium red onions, chopped
- 1 head of garlic, minced (sub 3 T Spice World Ready to Use garlic)
- 2, 28oz can crushed tomatoes with juice
- 1, 28oz Italian Style diced tomatoes with juice

.....Please see website for the complete recipe

Congratulations to the New Board of Directors for 2021-2022



Don Carroll - President

Paul Updike - Treasurer

Tyler Keeble - Director

Brett Frederick - Director

Nikki Gill - Director

Elizabeth Schmidt - Director

**Welcome
back!**

Board of Directors

Officers:

Don Carroll	President	July 2023
Sandy Badolato	Vice President	July 2022
Paul Updike	Treasurer	July 2023
Rebecca Ciscel	Secretary	July 2022

***Terms are for two years**

Directors:

Athena DoBell-Garcia	July 2022
Samantha Goldstein	July 2022
Elizabeth Schmidt	July 2023
Charles Hester	July 2022
Nikki Gill	July 2023
Brett Frederick	July 2023
Tyler Keeble	July 2023

Elections occur each summer. We want you!

Officers must run and be elected into their specific offices (the Board does not assign officers.) Directors are elected into their director positions, and the roles and responsibilities of each director are assigned by the Board and can be changed. Officers and directors may run for re-election to consecutive terms.

Members Training Members

HUMANIZING THE AUDIT AND INVESTIGATING PROCESS

By Charles W. Hester, CPA/CFE/CGFM

Auditors and Investigators spend a great deal of their time acquiring and perfecting professional skills, but sometimes do not pay as much attention to the development of interpersonal skills needed to deal effectively with sources of information. We should remember that most of the information required to successfully complete our audits and investigations is usually obtained from individuals not involved in the improper or unacceptable behavior. Each of us needs to develop good interpersonal skills to “humanize” the obtaining of information in the audit and investigation process.

Before we can get along with other people, it is necessary to understand something about our own make-up and how it affects our relationship with others. We need to recognize that auditors and investigators are perceived to be orderly and precise people. Most auditors and investigators with whom I have had the opportunity to work with are hardworking and are usually uncomfortable about leaving a task with a lot of loose ends. We should recognize these personality traits in ourselves and use them to our advantage in dealing with sources of information.

We can get an idea of others’ personality traits simply by being observant as we walk through their offices. Are documents lying around haphazardly or filed neatly? Are people sullen, or do they smile a lot?

...cont'd p.7



Contact the Editor

All submissions due by the end of each month

Joshua Lee, CFE

AZACFEeditor@gmail.com

[linkedin.com/in/joshualeecfe](https://www.linkedin.com/in/joshualeecfe)

Knowledge of others' work habits and how these differ from our own can be invaluable with working together in their offices. I find that the following techniques help to "humanize" the audit and investigation process of gathering information.

- Give the people as much lead time as possible to provide the requested information.
- Try to resolve problems at the lowest possible level.
- Use your authority as an auditor or investigator judiciously.
- Respect the organization's system of order. Do not disrupt the normal workflow more than is necessary.
- People like to talk about their jobs. Listen to what they say, it can be very informative.
- Keep your work area neat and organized.
- Smile, inject a little humor, and introduce yourself. It can sometimes ease tough situations.
- Respect other people's time. To some, the coffee break is important; don't interrupt it.
- Do not agree to deadlines one cannot keep or ask people for assistance they cannot provide.
- Do not mark, monopolize, or misplace the organization's records.
- Try not to be secretive. People feel better when they know what you are doing and why you are doing it.

Our audits and investigations are much more pleasant when we keep these techniques in mind. Nevertheless, difficulties will sometimes arise. We can avoid many misunderstandings and generate goodwill by discussing with appropriate officials the need for the information and its impact on the results of our audits and investigations. If misunderstandings arise, we should try to handle them at the field level as unobtrusively as possible. If the misunderstanding persists, your superiors should be advised of the problem and be involved in any discussions with senior management officials.

At the end of the audit or investigation is a good time to show appreciation for even small considerations extended to you. In many offices, coffee is willingly provided to all visitors. On the last day of the audit or investigation, consider giving the office a one-pound or two-pound can of coffee. I have found that most people welcome these types of gestures and the resulting payoff in terms of mutual appreciation, morale, and increased productivity have been tremendous.

Charles Hester, Sr. served as the Western District Inspector General for the Federal Emergency Management Agency (FEMA) until his retirement in 1995. Chuck is currently an instructor for various organizations, including Association of Government Accountant's Education and Research Foundation in Washington DC; the Government Audit Training Institute in Washington DC; the Pacific Islands Training Institute in Honolulu; the California Association of State Auditors; the California Society of Accountants; and various other accounting and auditing professional organizations. He is a member of various professional auditing and accounting organizations and has written several articles that have been published in professional journals. Charles has joined the Law Review Committee for the AZ Board of Accountancy. Throughout most of his career, Charles has been a member of the Association of Government Accountants, the Institute of Internal Audits, and the Association of Certified Fraud Examiners, as well as other Professional Associations.
CharlesHester@msn.com

ACFE AZ Chapter And IIA Phoenix Chapter Annual Event

WE HOPE YOU WILL JOIN THE AZ ACFE CHAPTER AND IIA PHOENIX CHAPTER FOR OUR 2021 ANNUAL MEETING ON WEDNESDAY, **DECEMBER 15, 2021**, AT THE CONFERENCE CENTER @ RIO

TOPICS: REAL ESTATE FRAUD; FBI CASE STUDIES; AND RATS IN A MAZE: A BEHAVIORAL PERSPECTIVE ON ETHICS FOR AUDITORS

SPEAKERS:

Jesi L. Wolnik, Esq. – Davis Miles, PLLC
Larry Vigna, FBI Supervisory Forensic Accountant
Suzanne Allen, FBI Special Agent
Lance Giles, FBI Forensic Accountant
Mike Jacka - Award Winning Presenter

LEARNING OBJECTIVES:

- Identify fraudulent practices perpetrated by criminals in real estate matters.
- Discuss how deed scams are carried out.
- Explain how wire fraud is perpetrated.

AGENDA: THE EVENT WILL RUN FROM 8:00 AM – 4:30 PM

SIGN-IN: 7:30 AM

PROGRAM: 8:00 AM – 4:30 PM

LUNCH: 12:00 – 1:00 PM

LOCATION: CONFERENCE CENTER @ RIO, W 14TH STREET, TEMPE, AZ 85282

PARKING: FREE

COST: \$85 FOR ACFE MEMBERS \$125 NON-MEMBER REGISTRATION **(INCLUDES LUNCH IF ATTENDING LIVE)**

REGISTRATION INFORMATION: PRE-REGISTRATION IS REQUIRED FOR ALL ATTENDEES FOR THIS EVENT. REGISTRATION IS OPEN THROUGH DECEMBER 10, 2021, OR UNTIL ALL SEATS ARE FILLED. REGISTER ONLINE AT CFE-ARIZONA.ORG. YOU MAY PAY YOUR ADMISSION FEE WITH A CREDIT CARD AT THE TIME OF REGISTRATION

REFUND AND CANCELLATION POLICY: EMAIL TRAINING@CFE-ARIZONA.ORG TO CANCEL. TO BE ELIGIBLE FOR A REFUND, CANCELLATIONS MUST BE RECEIVED BY THE 3RD BUSINESS DAY PRIOR TO THE MEETING (FOR EXAMPLE, BY THURSDAY AT 5 PM BEFORE A TUESDAY MEETING). CREDIT CARD PAYMENTS WILL BE REFUNDED TO THE CREDIT CARD

COMPLAINT RESOLUTION: PLEASE CONTACT THE TRAINING DIRECTOR AT TRAINING@CFE-ARIZONA.ORG

More information and registration at: <https://cfe-arizona.org/>

Don't forget to bring your cans



Community Outreach Project

We are collecting **non-perishable** food items (no glass) for United Way. Those attendees who donate will be entered into a raffle drawing for Apple airpods.



**ACFE/IIA Conference
sponsored by:**



ACFE Arizona Chapter Training

January 18, 2022, Natalie Forbort, Special Agent U.S. Department of Education-OIG, Fraud in Higher Education

February 15, 2022, 1-hour training (speaker TBD) watch your email for more information.

COMING
SOON

March 14, 2022, (Tentative) Half-Day Training Event (Location TBD)

April 19, 2022 12:00 to 1:00PM

Biometric Fraud

SPEAKER: Simon Marchand

Join us:
IN PERSON
OR
zoom

Earn 1 CPE

PROGRAM DESCRIPTION

FROM DATA BREACHES TO IDENTITY THEFT, THE CHALLENGES AND PACE OF CHANGE FACING FRAUD TEAMS HAS NEVER BEEN GREATER. THIS COMES WHILE LEGITIMATE CUSTOMERS EXPECT ENGAGEMENT CHANNELS WITH AS LITTLE FRICTION AS POSSIBLE.

BIOMETRICS IS ONE OF THE MOST POWERFUL WAYS THAT ORGANIZATIONS ARE MEETING THESE DUAL PRIORITIES. SIMON MARCHAND, CFE, ADM.A., WILL GIVE AN INTRODUCTION TO BIOMETRICS TECHNOLOGIES, SHARE THE LATEST ADVANCES IN THE FIELD. HE'LL ALSO DETAIL HOW ORGANIZATIONS INCLUDE BANKS AND TELECOMMUNICATIONS COMPANIES ARE USING BIOMETRICS TO COMBAT ACCOUNT TAKEOVER, SUBSCRIPTION FRAUD, AND HOW THIS STATE-OF-THE-ART TECHNOLOGY CAN BE USED FOR FRAUD PREVENTION, DETECTION AS WELL AS IN FRAUD INVESTIGATIONS.

LEARNING OBJECTIVES

- DISCERN BIOMETRICS TERMINOLOGY
- DIFFERENTIATE THE TYPES OF BIOMETRICS TECHNOLOGY
- APPLY BIOMETRIC FRAUD PREVENTION USE CASES
- ASSESS HOW BIOMETRICS IS USED FOR INVESTIGATION AND PROSECUTION OF FRAUDSTERS

SIMON MARCHAND IS NUANCE'S CHIEF FRAUD PREVENTION OFFICER FOR SECURITY AND BIOMETRICS.

CERTIFIED FRAUD EXAMINER, SIMON HAS EXTENSIVE EXPERTISE IN FRAUD PREVENTION, DETECTION AND MANAGEMENT - AS WELL AS IN AUTHENTICATION AND IDENTITY - IN BOTH THE BANKING AND TELECOM INDUSTRIES, WITH MORE THAN 10 YEARS OF EXPERIENCE IN THE FIELD. PRIOR TO NUANCE, SIMON HELD KEY FRAUD PREVENTION POSITIONS AT MONTREAL-BASED LAURENTIAN BANK, AT BELL CANADA, AND AT QUÉBEC'S ORDER OF CHARTERED ADMINISTRATORS, WHERE HE MANAGED ITS PROFESSIONAL INSPECTION PROGRAM.

AS CHIEF FRAUD PREVENTION OFFICER, HE WORKS CLOSELY WITH NUANCE CLIENTS TO DESIGN BIOMETRIC-BASED FRAUD PREVENTION AND AUTHENTICATION STRATEGIES THAT DISRUPT CRIMINALS WHILE REDUCING EFFORT AND FRICTION FOR LEGITIMATE CUSTOMERS. HE REGULARLY SHARES HIS EXPERTISE IN VARIOUS CONFERENCES AND WITH ASSOCIATIONS AROUND THE WORLD AND HE SPEAKS ON THE RISKS FRAUD AND THE ETHICAL USE OF BIOMETRICS IN THE MEDIA.

Start Planning Now for the 33rd Annual ACFE Global Fraud Conference

BEYOND ALL LIMITS

June 19-24, 2022

Nashville, TN & Virtual

33rd Annual ACFE Global Fraud Conference

We will be applying for the group discount of \$350 for groups of 10 or more members attending in person. If you're interested in attending in person & receiving the group discount, please contact one of our Board members to reserve your spot.