

Austin Area Chapter Association of Certified Fraud Examiners

President's Corner

Tracy Bohmer, CFE, CPA

*****Please note: Spring Seminar date change to April 23, 2009.*****

Due to unforeseen circumstances with speaker availability the Spring Seminar date was changed. We apologize for any inconvenience.

We had an outstanding meeting last month with over 55 members attending. Thanks to everyone for your support and for pre-registering, the arrangement worked well.

The scholarship application deadline is April 3, 2009, for the Chapter ACFE; April 17, 2009, for the ACFE Foundation. Remember that our members and their family members are eligible. The link will be on the website soon or notify Glyn Rogers if you know someone that might be interested.

Chapter Meeting Schedule

Time: 12:00 to 12:50 p.m.
Lunch served promptly at 11:45 a.m.

Location: Nuevo Leon Restaurant
1501 East, 6th Street

Cost: Luncheon Only:
\$11.00 – Chapter Member
\$13.00 – Non-Chapter Member

This Month's Meeting

Date: April 6, 2009

Speaker: Lou Bright
Texas Alcoholic Beverage Commission
Fraud Investigations

Topic: Investigations by the Texas Alcoholic
Beverage Commission

**register on line: www.austinacfe.com
or**

call 512-923-8656

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What You Missed

By Mike Garner, CFE, CIA

If you were not able to attend the March 9, 2009 chapter meeting, you missed a presentation on "Are You Protected" by Mr. Tommy Gonzalez, Senior Vice President, Greater Austin Area Regions Bank. His topic focused on the kind of fraudulent activity that is occurring everyday where we may be the victim. Is that a good check; is a money order or cashier's check safe? Is my credit rating safe? Can I protect myself against many of the fraudulent activities and scams?



March speaker,
Tommy Gonzalez

His first topic was identity theft. One case involved a person that had not checked their credit for nearly two years and a thief had been using their identity for nearly that long. When the consumer went in to buy a car he found out that he owed too much to qualify for a good rate. He then found out that he had \$85,000 in Credit Card debt, \$125,000 Mortgage, and \$145,000 car debt.

Mr. Gonzalez then talked in general about identity theft. Up until 1998 it was not against the law to pose as someone else when acquiring debt. Some methods of obtaining identity information include shoulder surfing (sitting next to you); binoculars to identify pin numbers; dumpster diving; open mailbox; and online surfing. He mentioned activities to help deter identity theft including there are no garbage cans in banks (must give to teller for proper disposal; bonding janitorial staff; and shred all financial trash. He also recommended knowing with whom you are doing business and creating transactions; destroy all financial offers including ripping them apart; secure financial information located in your house; be careful how you get financial information out of your house; obtain all offers in writing before accepting them; and be careful what you say when you are on vacation

Other precautions include being aware that cell phone conversations and information can be monitored; review your credit report at least once a year; and when car shopping try not to allow them to run your credit while you are shopping around because it can drop your credit score by 20 points.

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AUSTIN AREA CHAPTER OF
THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS
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Internet fraud includes phishing where they try to obtain information from you and farming where they could send you a virus or other information that will cause you to act. He discussed one scam where the fraudster would send a cashier's check for a certain amount and then request that you forward a portion of this amount to another account. After this was done you find out that the cashier's check was not good and that you lost the money you sent out. These types of transactions are also done on E-Bay and Craig's List and after you receive payment you find out the payment was not good.

Mr. Gonzales indicated that they stop fraud against their customers everyday in trying to make sure they do not fall for known types of fraud schemes and scams but unfortunately the customer has the right to make these mistakes and can override the banks advice. The only way you can stop the customer is to have them declared incompetent. Red flags are the normal if it sounds too good to be true it probably is; if it does not fit a normal pattern it needs to be questioned; and be careful of items sent to your cell phone and using your mobile banking service. If you suspect anything call your bank. Although banks have stepped up their surveillance and training, those conducting fraud seem to be able to stay a step ahead.

He also discussed credit card transactions; secure lines; counterfeiting; telemarketing; the Nigerian prince has been trying to get out of Nigeria for over 40 years; etc. The top ten frauds at banks include fake checks (62%), prizes (14%), advance fees (5%), lottery (3%), phishing (2%), farming and ranching (1%), Credit Card offers (1.5%), scholarship and grants, buyer's club, and the Nigerian scams. As discussed before Cashier's Checks can be made on an escrow account but the amount can be withdrawn the next day after it written and it would no longer be good.

Mr. Gonzalez ended his presentation by relating an incident of fraud that took place at one of his banks. The tellers were coming up short at about \$4,000 a month. He ended up firing a number of tellers and the incidents continued. In questioning the tellers, one of them told him that when she went to lunch, she allowed another teller to sign off for her due to the time it took to sign off and the teller did not get paid while they were signed off. He reviewed the tapes and found that this teller was also signing off for others during the lunch period. Due to the trust that the tellers were placing in this other teller and their not specifically following the regulations, several had lost their jobs and the bank had lost a lot of money.

Speaker's Biography

Lou Bright has served as general counsel of the Texas Alcoholic Beverage Commission since 1994. Prior to that, he spent seven years in the Texas Attorney General's office engaged in the area of employment, civil rights, and constitutional law and was in the private practice of law in both Waco and Austin. Mr. Bright graduated *magna cum laude* from St. Mary's University in 1979 and received a law degree from Baylor University School of Law in 1981.

Mr. Bright is licensed to practice in Texas and before the Fifth Circuit and Federal District Courts for the Southern, Western and Northern Districts of Texas. From 1988 until 1997, he was licensed by the Texas Board of Legal Specialization as a specialist in the areas of Civil Trial and Appellate Law. Mr. Bright has served on the Executive Committee of the National Conference of State Liquor Administrators since 2003 and as president of that organization from 2006 to 2007.



The Spotlight's On You!

A special feature focusing on members of the Austin Area Chapter of ACFEs

Mike Chandler has been a member of the
ACFE

for the past 3 years.

But maybe you didn't know...



Job Description:

Internal Auditor with the Employees Retirement System of Texas

What I'm working on now:

An audit of a department that was established in the last 1 ½ years and is still developing.

Best part of my job:

Almost too many to mention, but the top ones are:

- Meeting people and the social interaction,
- It is not routine, there are new areas to audit,
- And of course my wonderful coworkers.

Ambition and/or Goals:

Ambitions: To be happy in my life and enjoy it without stressing over the small daily items.

Goals: Retire in 5 years and live in Alaska in the summer and Texas in the winter and spend time with my sons and their families.

Years of state service:

Nine years, plus two years of purchased military time. Seven of the nine years are with ERS.

My first job:

Paperboy for 3 years

Hobbies:

Motorcycle riding; flying; sailing; fishing; bird hunting; etc.

Favorite Movie:

The Graduate

Last books I read:

I would say they were: They Marched Into Sunlight, The Biggest Boat I Could Afford, and One Man's Wilderness.

Favorite foods:

Have to think about that one; just kidding, it is without a doubt Mexican food.

Favorite Restaurants:

Again, an easy one to answer – Juan In a Million

My pet(s):

None at this point in time.

It's a good day when:

Every day is a good day. Life is Good!

Pet Peeves:

That other people cannot drive as well as me. Don't understand that.

What I would do with a surprise afternoon off:

Enjoy it. I tend to schedule the activities I want or need to do, and any extra time off will probably be merged into whatever activity was already planned.

I'm most proud of:

My two sons. They have turned out well based on their efforts. They get the credit for their good character and accomplishments.

Most people probably don't realize:

I like anything that flies (except for flies and mosquitoes). I have had a pilot license for almost 30 years, owned a small airplane, and have also tried skydiving, sailplanes, and hot air balloons (riding in them, not piloting).

I view my time in the Army and in the 1st Infantry in Vietnam as one of the better things that happened to me (this is in retrospect of course as I seem to remember questioning it at the time). The quality of my life and my viewpoint of life is better than I think it would have been otherwise.

I have had several careers: The previous one was in chemistry.

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Then after a post-graduate course of study in accounting I worked as a foreign trade zone administrator for an oil company, and as an internal auditor for:

- A public utility holding company,
- Citgo Petroleum, and
- The State of Texas.

For me, it has made for an enjoyable life, and who knows what I will be when I grow up.”