

Austin Area Chapter Association of Certified Fraud Examiners

President's Corner

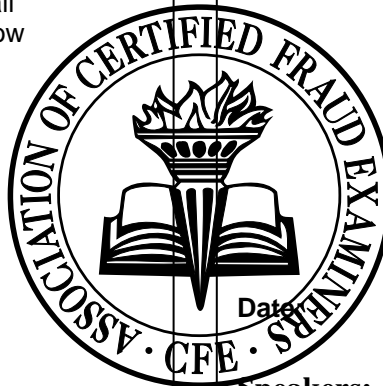
Shari Daffern, CFE, CIA, CPA

Our Spotlight this month is on a potential member who regularly attends our meetings. David is a CFE, so we need to encourage him to join.

Glyn Rogers is accepting scholarship applications, and we will announce our winners in January.

Mike Garner has written a great article about our December 3rd seminar. Please consider attending this great opportunity. The Board is excited about the speakers and hope you will take advantage of this great training on fraud related topics. Invite all your friends and colleagues and let them know about our Chapter.

Certainly hope you all have a great Thanksgiving Holiday!



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
Seminar:
\$125.00 – Chapter Member
\$175.00 – Non-Chapter Member

This Month's Meeting

Date: December 3, 2007

Speakers: John E. Clark
Aaron Hughes
Phil Flora & Dave MacCabe
Mike Garner

Topic: See "Annual Fall Seminar" Article

register on line: www.austinafce.com
or

call 512/389-4813

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What You Missed

Mike Garner, CFE, CIA

If you were not able to attend the November 5, 2007 chapter meeting, you missed a presentation on Homeland Security by Major Grahame Jones, Internal Affairs Unit, Texas Parks and Wildlife Department (TPWD). Major Jones supervises the Office of Internal Affairs which was established in 1991 as a fact finding entity with a task of protecting the public, protecting employees, and protecting Texas Parks and Wildlife by providing and ensuring a professional, consistent, and thorough investigative process. In addition to their investigative responsibilities they are also responsible for executive protection of TPWD Commissioners, the Executive Director and other dignitaries as assigned and to assist in Homeland Security.

Senate Bill 9 of the 79th Legislature added Texas Parks and Wildlife as a member of the Governor's Office of Homeland Security effective September 1, 2005. The Director of the Office of Homeland Security also serves as the Director of the Governor's Division of Emergency Management. The representatives from each of the member agencies are directly involved in the policies, programs, and funding activities relevant to homeland security and infrastructure protection. Operations are directed from the State Emergency Operating Center. This center is located 26 feet below the DPS Headquarters Building and is designed to resist a structural blast of a 20 megaton blast and has extensive radiation fallout protection. The center includes a council room that serves as the state's nerve center during disaster operations, state of the art computerization; and extensive communication capabilities.

As certified peace officers, the scope of game warden responsibilities extends beyond enforcement of game and fish laws of this state. With their specialized training, skills, and equipment; they are relied upon to participate in homeland security activities such as border security and waterway patrols to assist in protecting dams and other facilities. They are also asked to assist with disaster response and relief efforts when natural and other disasters occur.

In August and September of 2005 TPWD game wardens were deployed for search, rescue, and evacuation operations associated with hurricanes Katrina and Rita. MAJ Jones discussed a number of the activities that TPWD conducted for Katrina and Rita and provided pictures and descriptions of the challenges involved in those activities. Although they witnessed a large number of illegal activities, they were not able to detain those committing them

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AUSTIN AREA CHAPTER OF
THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS
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FISCAL YEAR 2006

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because of the lack of detention facility locations. He emphasized how much better prepared Texas is for natural disasters than was Louisiana and New Orleans during Hurricane Katrina.

Major Jones also discussed the border patrol activities and the challenges of the narcotics trade and illegals crossing our borders. They added 41 game wardens in May of 2007 to address some of these challenges to Texas and the nation. TPWD has 600 patrol boats and vessels and two 65 foot patrol vessels that are used in disasters and to help secure our homeland. Due to the constant need to use these vessels in patrols and missions, the Governor sometimes refers to TPWD as the Texas Navy.

Major Jones discussed terrorist activities in Texas and what TPWD is doing in that area. He discussed the case of William Karr from east Texas as an example of a terrorist threat that was addressed. Inside Mr. Karr's home investigators found a sodium-cyanide bomb capable of killing thousands, more than a hundred explosives, half a million rounds of ammunition, dozens of illegal weapons, and a mound of white-supremacist and antigovernment literature. He was caught because of a misdelivered envelope and due to the cooperation of dozens of different law-enforcement agencies.

Major Jones closed his presentation by discussing the importance Texas places on Homeland Security. There are forty state agencies on the Homeland Security Council and this council constantly identifies, evaluates, prioritizes, and addresses security risks from all areas including biological, animal, health, water, food, structural, etc. He feels that we are prepared and will continue to improve.

Annual Fall Seminar

Mike Garner, CFE, CIA

The program, the speakers, the location, and the refreshments have all been designed and arranged to make our 3 December 2007 Seminar a relaxed and enjoyable learning experience. Our meeting place is the Nuevo Leon Restaurant on East 6th Street. We have arranged the larger room for the seminar so that we will have plenty of room to spread out. We have arranged for coffee, orange juice, tea, and pastries in the morning; the Laredo (grilled chicken breast with rice and beans) for

lunch; and sopapillas and honey for the afternoon break (water, tea, and pitchers of soft drinks should be available all day). The seminar is scheduled from 10:00 am through 4:30 pm and six hours of CPE will be provided. The cost of the seminar is \$125 for local chapter members and \$175 for non-members. The board has approved that those paying the non-member price and submitting a chapter membership application (available at our website) will not be charged for this year's chapter dues.

We are very proud of our seminar program and speakers. Our 10:15 speaker is John E. Clark and he will be speaking on pharmaceutical fraud. Mr. Clark is a former US Attorney and former Justice for the 4th Court of Appeals. He currently practices law in San Antonio and is experienced in false claim act litigation, fraud investigations, commercial litigation, and appellate practice. This will be the first time Mr. Clark has spoken to our group.

Our lunch speaker (12:00-1:00) is Aaron Hughes, CISSP and he will be speaking on incident response. Mr. Hughes is the Chief Executive Officer of IAC Secure Tech in Houston. He and his team provide real time analysis of over 80 million compliance, intrusion, and corporate misuse events each month for their clients. He has also provided litigation support on corporate and white collar crimes, theft of intellectual property, and corporate misuse cases. Mr. Hughes spoke at our chapter meeting last May on Section 404 of the Sarbanes-Oxley Act which requires management to report on the internal control systems used for financial reporting. His presentation then emphasized the role information technology plays in these control systems and how this technology can be used to improve our risk management, control, and governance processes. He generally received very high marks for this presentation and we are very proud to bring him back this time as one of our seminar speakers.

Our early afternoon speakers (1:15 – 2:45) are my good friends Phil Flora and Dave MacCabe. They will be speaking on Governance, Ethics & Transparency – So What! Mr. Flora and Mr. MacCabe are two of the most experienced, knowledgeable, prominent, and effective Internal Audit practitioners in the nation. They are both very experienced speakers and speak on a wide range of audit and fraud related topics but their careers have been moving them toward developing and presenting a program on this topic. Their presentation will include definitions of governance, ethics, and transparency and a brief overview of the governance process; a review of how a weak ethical culture increases the risk of organizational fraud and abuse; identify

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challenges/barriers/indicators of an ineffective governance process and provide examples for improvement; discuss leading practices in both governance and ethics; provide a list of reference materials for future use; and perform group exercises to support the learning objectives discussed.

I will be making the final presentation (3:00 – 4:30) on an Internal Auditor's approach to the deterrence and investigation of fraud. The main purpose of this presentation is to identify and give examples of how we can use some of the tools available to our organizations and more specifically to internal auditors to help identify, deter, prevent and detect fraud, waste, and abuse. We will also discuss and give examples of some of risks we have in our investigation of fraud.

Seminar Agenda

10:00AM – 10:15AM

Registration

10:15AM – 11:30AM

John E. Clark

"Pharmaceutical Fraud"

12:00PM – 1:00PM

Aaron Hughes

"Incident Response"

1:15PM-2:45PM

Phil Flora and Dave MacCabe

***"Ethics, Governance, and Transparency
- So What!"***

3:00PM - 4:30PM

Mike Garner

***"An Internal Auditor's Approach to the
Deterrence and Investigation of Fraud"***

To find out more information and to register for this seminar please visit our website at austinacfe.com or contact our Chapter Treasurer David Heater at 512-389-4813.

The Spotlight's On You!

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

David Alston

is a CFE

But maybe you didn't know...



Job Description:

Texas Workforce Commission Internal Audit

What I'm working on now:

Monitoring

Best part of my job:

Talking with people

Ambition and/or Goals:

Pass the CIA and live long enough to retire

Years of State service:

14 -1/2 years

My first job:

Delivering Sales Flyers door to door

Hobbies:

Organic Gardening and Pets

Favorite Movie:

Bella, V for Vendetta and Ghost Rider

Last book I Read:

Rules of Saint Benedict and Dead Doctors Don't Lie

Favorite foods:

Mexican and Country Cooking

Favorite Restaurants:

Garcia's in Buda

My pet(s):

2 peacocks, 2 rabbits, 7 laying hens, 2 doves, a guinea pig and a dog

It's a good day when:

When I don't have something pending

Pet Peeves:

Argumentative people

What I would do with a surprise afternoon off:

Nothing

I'm most proud of:

My family: Maria, David Jr., John-Paul and Anastasia

Most people probably don't realize:

I do Civil War reenactment
