

Austin Area Chapter Association of Certified Fraud Examiners

President's Corner

Tracy Bohmer, CFE, CPA

It has been my pleasure to serve the Chapter as President these past two years. I have enjoyed networking with the members and speakers at the meetings and the seminars, and working with the Chapter Board members. Special thanks to each of the Board members for all the hard work and dedication. Each Board member has stepped up to the plate and provided the time, expertise, and unique perspective that has enabled our Chapter to have such a successful year.

The Board certified the election results based on the number of ballots received to date. All the following candidates received 100% of the vote cast for their positions. The Austin Area Chapter of the ACFE officers for the 2011 and 2012 Chapter Fiscal Years are as follows.

President – Glyn Rogers, **Vice President** – Andrew Prough, **Treasurer** – David Heater, **Secretary** – Mike Garner, **Director** – Shari Daffern, **Director** – Marci Sundbeck, **Director** – Tracy Bohmer, **Director** – Gilbert Mokry, **Director** – John Knox

The Board thanks everyone for the support of the Spring Fraud Seminar. The continued participation of our members is what drives the success of our Chapter.

As a reminder, the Annual Business Meeting will be held at our May Chapter Luncheon Meeting. The Annual Financial Report will be sent out prior to the business meeting in accordance with the by-law requirements. The Board will answer any questions you might have. This brief presentation will be followed by our usual program.

May's meeting will be the last until September. The Board will continue to meet during the summer making plans for next year. We already have some exciting speakers lined up for the fall. Hope you all have a great summer!

Chapter Meeting Schedule

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

Location: Catfish Parlour
4705 E Ben White Blvd

Cost: Luncheon Only:
Members and Non-members \$12.00

This Month's Meeting

Date: March 3, 2010

Speaker: Ms. Patty Robertson, Chief ADA
Environmental Crimes Unit
Travis County
District Attorney's Office

Topic: Environmental Crimes

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 April 14, 2010 chapter seminar, you missed the following presentations:

“Financial Investigative Services” by Mr. Ed Martin and Mr. Jason Slick, “Investigating Cold Cases” by Mr. Ron Mendell, “Criminal Investigations at the Comptroller’s Office” by Ms. Ann O’Connell and Mr. Martin Cano, “Healthcare Fraud Whistleblower Case” by Mr. Mychal Wilson, and “Fraud Detection: A Proactive Approach to Fighting Fraud” by Mr. Jason Hadavi.

Financial Investigative Services – Mr. Ed Martin is the President of Cynic Inc. and Mr. Jason Slick is the Vice President of Engineering. In general Mr. Martin goes out and conducts the investigation and Mr. Slick is in charge of ensuring that all the information, data, records, and documents are captured, organized, and available for Mr. Martin’s use and to support all reports prepared and made by or for Mr. Martin. This is done through cutting edge technological devices and a fraud data services and software technological product Cynic Dio. This premiere software application designed for fraud examiners gives the financial investigator everything from manual/automatic data import features to the ability to categorize and organize a case using the most advanced features. Resulting in all transactions from financial data objects can be tied directly to their associated document image. This allows you to have every piece of evidence accessible at your fingertips. Cynic Dio is a true dual-screen application that gives the investigator the tools necessary for complex financial case data management. It also has user interfaces along with artificial intelligence to streamline the entire process from data entry to report generation. One of the most important features is the backup and restore features. Mr. Martin emphasized that the most important aspect of document management is a good back-up system that can be stored in a secure and safe location. Both Mr. Martin and Mr. Slick went through an example case to show the advantages of using the available technology and this software application.

Probing into Financial Cold Cases – Mr. Ron Mendell has recently published a book “Probing into Cold Cases: A Guide for Investigators.” Mr. Mendell is a Certified Legal Investigator, Master of Science in Network Security, Certified Information Systems Security Professional, and is an Adjunct Professor of Computer Science at Austin Community College. The purpose of his presentation was to provide a systematic approach for investigating cold cases. There are event driven cold cases and people driven cold cases. In the event driven case the investigator knows what happened (\$100,000 missing) but does not know how it occurred.

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AUSTIN AREA CHAPTER OF
THE ASSOCIATION OF CERTIFIED FRAUD EXAMINERS
PO Box 13462, AUSTIN, TEXAS 78711

BOARD & COMMITTEE MEMBERS

FISCAL YEAR 2009

Tracy Bohmer, President
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Shari Daffern, Director
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Marci Sundbeck, Director
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512 867-7302

Glyn Rogers, Director
University of Texas Athletics
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512-748-4953

The people driven cold case the investigator understands the event but does not know who committed it. Mr. Mendell took us through a cold case from the center of the case through the proximal, the distal, and to the limbus or the information that lies outside the immediate border of the case.

Mr. Mendell's presentation started with what constitutes a cold case (closed investigations, latent case, delayed prosecution, etc.); the stages of the probe (develop a theory and review all the sources of information); the critical attributes of the case (name, age, ties, connections, band statements, criminal history, etc); the theory; the financial motives; the business ties; explicit and tacit sources; schemes; fraud examination sources; tracing funds (follow the money); computer forensics review; background; motives; suspicious activities; etc.

Criminal Investigations at the Comptroller's Office –

The mission of the Criminal Investigation Division is to deter intentional criminal conduct against the state tax laws administered by the Texas Comptroller of Public Accounts. This deterrence is achieved by detecting and investigating felony and misdemeanor tax-related crimes, and by informing the public of the results of case prosecution.

The Comptroller's Office is responsible for collecting 60 different taxes and fees set by the legislature. The largest tax income is from sales tax (44.9% of taxes and fees collected). The sales tax collections are down from last year. Ms. O'Connell and Mr. Cano discussed investigation and prosecution of sales tax, motor fuels tax, cigarette and tobacco tax, etc. Discussed case of theft of motor fuels tax by Mr. Tommy Aaron who pled guilty to the second degree felony offense of evading motor fuel tax and other cases located on their website at <http://www.window.state.tx.us/about/cid/>

Healthcare Fraud Whistleblower Case – Mr. Mychal (Michael) Wilson discussed his case against his former employer Bristol-Myers Squibb (BMS). He worked closely with the United States Department of Justice, and in September, 2007, the DOJ announced a \$515 million dollar settlement with BMS to resolve allegations of illegal drug marketing and pricing. Mychal is a member Qui Tam attorney for Taxpayers Against Fraud ("TAF") and now utilizes his 'Big Pharma' experience to represent other whistleblowers in the pharmaceutical, biotech and medical device industries. Mr. Wilson is also an accomplished film actor, film producer, and entertainment law attorney. While at BMS his job was to get doctors to prescribe high dollar pharmaceuticals sold by BMS.

He was encouraged and trained to do this through funneling money to the doctors as speakers or provide them basketball tickets and/or golfing outings. They were encouraged to do whatever it took to get high prescribing doctors to use their pharmaceuticals. If the doctors did not cooperate they were cut off from the BMS incentives and payoffs. Mr. Wilson demonstrated through his presentation how he was able to use his talents as an actor and as a lawyer in building his case. The doctors not only prescribed medications for their normal therapeutic uses but also were able to broaden the range of uses to include off-label prescriptions (prescribing the medication for diseases that they were not designed to treat).

Fraud Detection a Proactive Approach to Fighting Fraud - Mr. Jason Hadavi is the Assistant City Auditor over the City Auditor's Integrity Unit (CAIU). The responsibility of the CAIU is to prevent, detect, and investigate fraud, waste, and abuse. Prevention is their ultimate goal to accomplish this goal they use an active and visible integrity system; the identification and addressing of control weaknesses; and the education of the workforce and contractors.

He then went over their system of proactive detection and prevention of fraud. Their approach is similar to an investigation except that there is no specific allegation but rather an indication of potential fraud based on an analysis of other frauds identified. He discussed one of their proactive case studies in the area of Timekeeping. During the period 2002-2007 there was at least five time-padding cases resulting in thousands of dollars of financial impact and all the suspects used similar schemes. The employees prepared written timesheets, the supervisor approved the timesheets, the timekeepers entered the information on the timesheets into the system, the supervisor reviewed the system generated time log and compared it to the timesheets, and then the employees were paid. In the fraud scheme the timekeeper would add another step of editing the time in the payroll system after the time log was approved and before the employee was paid. There are 340 timekeepers in the City of Austin. So far there have been three additional frauds identified that exceeded \$36,000. As a result of this activity there have been control improvements, high visibility of the problem, and a resulting reduction in the fraud.

Speaker's Biography

Patricia H. Robertson

Assistant Travis County District Attorney

Chief, Environmental Crimes Unit

Blackwell/Thurman Criminal Justice Building, Suite 1.100

Austin, Texas 78701

512-854-9447

EDUCATION:

- ❖ B.A. (concentration in political science), The University of Texas, San Antonio (1979)
- ❖ J.D., The University of Texas Law School (1983)

BAR ADMISSIONS:

- ❖ State of Texas
- ❖ United States District Court (Western District, Texas)

PROFESSIONAL EXPERIENCE:

- ❖ Assistant District Attorney, Travis County, Texas (1987-present)
 - Chief, Environmental Crimes Unit;
 - Chief, White Collar Crime Unit,
 - Chief, Public Integrity Unit, Special Prosecutions Division;
 - Chief, 331st District Court Trial Court;
 - Specialized areas include environmental crimes, public corruption, health care fraud, business fraud, securities fraud, white collar crime and fuels tax fraud
- ❖ Assistant County Attorney, Travis County, Texas (1984-1987)
- ❖ Staff Member, U.S. Congressman Henry B. Gonzalez, United States House of Representatives, Washington, D.C. (1979-1980)

TEACHING EXPERIENCE:

- ❖ Lecturer, "Parallel Criminal and Civil Prosecutions", Administrative Law Conference, State Bar of Texas – Austin, Tx.
- ❖ Lecturer, "How to Prepare the White Collar Criminal Case"; IRS Financial Crimes Seminar, Austin, Tx. 1995;
- ❖ Panel Discussion, "Preparing the White Collar Case" - 1st Annual Texas State Government Fraud Conference; Austin, Tx. Nov. 1997;
- ❖ Panel Discussion, "Preparing the White Collar Case" - 2nd Annual Texas State Government Fraud Conference, Austin, Tx. Nov. 1998;
- ❖ Lecturer, "Search Warrants", Texas Comptroller Fraud Conference, S.A., Tx. Jan. 1999;
- ❖ Speaker, "Ethics in State Government", TASSCUBO Winter Meeting, Austin, Tx. Jan. 1999;
- ❖ Speaker, "The Texas Penal Code", The SAO Fraud Conference, Austin, Tx. April 1999
- ❖ Speaker, "Preparing the Environmental Crimes Case", SEEN Conference, Harlingen, Texas, April, 1999,
- ❖ Speaker, "Preparing the Environmental Crimes Case", North Texas COG Environmental Conference, July, 1999

- ❖ Speaker, "Preparing the Environmental Crimes Case, SEEN Conference, Beaumont, Texas, Oct., 1999
- ❖ Speaker, "Parallel Proceedings", 3rd Annual Fraud Conference, Austin, Texas, Jan. 2000
- ❖ Speaker, "Anti-Corruption: Ethics, Accountability and Transparency in Government", African Delegation, Austin, Texas, March, 2000
- ❖ Speaker, The Texas Penal Code and White Collar Prosecutions, Fraud Seminar, Austin, Texas, April, 2000
- ❖ Speaker, "Preparing the Environmental Crimes Case", SEEN Conference, Austin, Tx. April, 2000
- ❖ Speaker, "MPR Ethics in Government", Delegates from West Bank, Antigua, Uganda, Malawi, Nepal and Latvia, May, 2000
- ❖ Panel Discussion, TNRCC Environmental Trade Conference, Austin, Tx. May, 2000
- ❖ Speaker, "Building a Case for the Prosecution" Environmental Enforcement Workshop, Ark-Tex Council of Governments, Mt. Pleasant, Tx., September 15, 2000
- ❖ Speaker, "Preparing the Environmental Crimes Case", SEEN Conference, Richardson, Tx. October, 2000
- ❖ Speaker, "Enforcement Developments – Enforcement by Local Government", CLE International Texas Water Law Conference, Austin, Tx., October, 2000
- ❖ Speaker, "Preparing the Environmental Crimes Case", SEEN Conference, Austin, Tx., April 11, 2001
- ❖ Panel Discussion, TNRCC Environmental Trade Conference, Austin, Tx., May 1, 2001
- ❖ Speaker, "Preparing the Environmental Crimes Case", SEEN Conference, February, 2002, Laredo, Texas
- ❖ Speaker, "Preparing the Environmental Crimes Case", SEEN Conference, April, 2002, Houston, Texas
- ❖ Speaker, "Preparing the Environmental Crimes Case", SEEN Conference, October, 2002, San Antonio, Texas
- ❖ Panel Discussion, "Criminal Enforcement", CLE International Texas Water Law Conference, October, 2002
- ❖ Panel Discussion, "Criminal Enforcement", CLE International Texas Water Law Conference, October, 2003
- ❖ Speaker, "Environmental Laws in Texas", TCEQ Conference, October, 2004, Austin, Texas
- ❖ Speaker, "Identity Theft", Texas Society of CPA's, Sept. 2005, Austin, Texas
- ❖ Speaker, "Environmental Crimes Prosecutions in Texas", American Bar Association, Jan. 2010, Austin, Texas.
- ❖ Speaker, "Environmental Crimes Prosecutions in Texas", 2010 Southwest States RC&D Training Conference, March, 2010, Ft. Worth, Texas.
- ❖ Speaker, "Environmental Crimes Prosecutions", Criminal Environmental Law Enforcement Spring 2010 Training, Austin, Texas.
- ❖ Speaker, "Travis County Prosecutions", 2010 Texas Environmental Law Enforcement Association, April 2010, Bandera, Texas.

MEMBER:

- ❖ Texas District and County Attorney's Association; Texas State Bar Foundation; Texas Environmental Enforcement Task Force; Southern Environmental Enforcement Network

The Spotlight's On You!

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

Adediji Benson

But maybe you didn't know...



Job Description:

Accountant VI

What I'm working on now:

Veterans Land Board 2nd Quarter Financial Reporting for the General Land office Financial Management

Best part of my job:

Reconstructing challenging spreadsheets to meet goals.

Ambition and/or Goals:

Managerial Ambition

Years in audit field/ with State:

4-1/2 years

My first job:

Westin Hotel - Internal Auditor

Hobbies:

Soccer

Favorite Movie:

Coming to America By Eddie Murphy

Last books I read:

Women are from Mars and Men from Venus

Favorite foods:

Steak and Lobster

Favorite Restaurants:

Cheesecake Factory

It's a good day when:

My goals are accomplished and I can still make people laugh.

What I would do with a surprise afternoon off:

Take my family to a good restaurant

I'm most proud of:

My children-Jestina, Femi and Akin

Most people probably don't realize:

That I am a comedian and can sing.

Spring Seminar Speakers



Ed Martin



Ron Mendell



Jason Slick



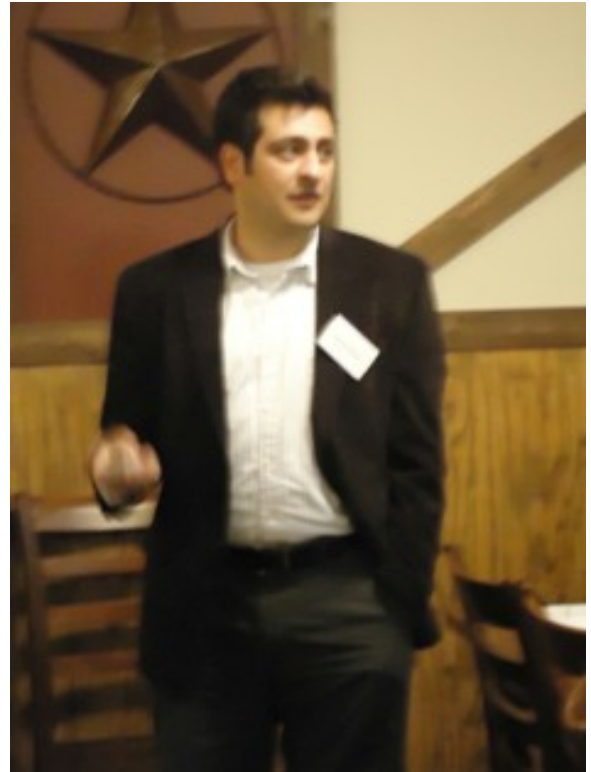
Martin Cano



Ann O'Connell



Mychal Wilson



Jason Hadavi