

Austin Area Chapter Association of Certified Fraud Examiners

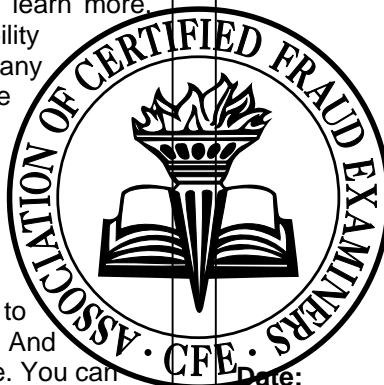
President's Corner

Shari Daffern, CFE, CIA, CPA

Our fall seminar is set for December 14 this year. The registration and announcement will be on the web site soon. We have some exciting speakers lined up for you! David Beinke will speak on Fraud in the Texas Public Education System. He's got some interesting material on cases he worked on where school superintendents were jailed or indicted and awaiting trial. Captain Chris Bratton, of the Round Rock Police Department, will speak on statement analysis. I've attended one of day long classes on this fascinating topic. I'm sure his shortened presentation will only leave you wanting to learn more. Mike Shepherd will be speaking on Vulnerability Assessment as it relates to your entire company or agency, not just computers. And lastly, we have the new ACFE President, Jim Ratley, who will speak on interview techniques. Many of you have probably attended some of his courses and know he certainly will be entertaining.

We are always interested in finding students to apply for our Chapter's scholarship program. And remember that our members are also eligible. You can contact Glyn Rogers for more details. Our scholarships are funded by our seminars.

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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: \$11.00 – Chapter Member
\$13.00 – Non-Chapter Member

This Month's Meeting

Date: November 6, 2006

Speaker: Ruthie Ford, Special Assistant for Expenditure and Analysis
Comptroller of Public Accounts

Topic: Recent Comptroller's Office fraud investigations & observations on recurring fraud problems in our state.

register on line: www.austinafce.com
or

call 512/389-4813

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We tried to include pictures in our newsletter last month, but the agency had a size limitation on data. We did include them on the web site. One turned out very dark. So bear with us as we work out our issues on the web site.

The Training Officer of the ACFE Chicago Chapter just called to say they are presenting a seminar in Dallas on 11/20 on the Sarbanes-Oxley Act for SMBs. Eight hours of CPE will be offered.

For Additional Info, Please Visit <http://www.COMPLIANCE-SEMINARS.COM> or call 630-305-5431

Hope you enjoy our Spotlight on Helen Young this month. Who knew that she is so musically talented!

What You Missed

Mike Garner, CFE, CIA

If you were not able to attend the October 2, 2006 chapter meeting, you missed a presentation on Fraud at the Austin Community Access Center; new case study, same old story by Ms. Susan L. Wynne, CFE, CIA, CGAP, Assistant City Auditor for Integrity and Ethics. Ms. Wynne manages the City Auditor's Integrity Unit, a specialized unit responsible for conducting fraud, waste, and abuse control activities including investigation, detection, prevention, and review of fraud-related internal controls. The presentation focused on a recently completed investigation of the fraud committed by the former Executive Director of the Austin Community Access Center.

Ms. Wynne indicated that the court final ruling date for this case had been postponed pending a plea agreement so there is currently not a legal finding of guilt but that should be coming very soon. The case came to light when board members had financial questions that were not answered by the Executive Director and based on this concern the City Auditor's Integrity Unit was eventually contacted.

The Austin Community Access Center operated Austin Community Television (ACTV) with an annual budget of a little over \$600,000. The Executive Director resigned in December 2004 shortly after the City Auditor's Integrity Unit started investigating the group's financial reports.

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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 2006

Shari Daffern, President
Texas Water Development Board
shari.daffern@twdb.state.tx.us
512 463-7978

Andrew Prough, Vice-President
Medical Fraud Reviews LLC
andyprough@austin.rr.com
512 262-8760

David Heater, Treasurer
Texas Parks & Wildlife Department
david.heater@tpwd.state.tx.us
512 389-4813

Mike Garner, Secretary
Adjutant General's Department
Mike.D.Garner@tx.ngb.army.mil
512 782-5640

Tracy Bohmer, Director
Health & Human Services Commission
stbohmer@texas.net
512 303-3880

Marci Sundbeck, Director
Employees Retirement System
marci.sundbeck@ers.state.tx.us
512 867-7302

Glyn Rogers, Director
Office of the City Auditor
glyn.rogers@ci.austin.tx.us
512 974-2081

Patty Vela, Newsletter
Texas Parks & Wildlife Department
patricia.vela@tpwd.state.tx.us
512 389-4458

The initial examination did not identify the fraud but did identify a number of red flags including that no financial reports were being provided to the board, no recent audits had been performed on these funds, stall tactics were continually used when information was requested and then only two or three partial sets of documents were provided, the Executive Director was also acting as the Financial Manager, and the Executive Director was very secretive regarding financial information. Stall tactics included the Executive Director never returning phone calls, not showing up for work, indicating that he had not received requests, and even indicating that the location that housed the financial documents must have been burglarized.

The evidence gathered through the investigation indicated that the Executive Director had fraudulently taken more than \$354,000 during the years of 2000 – 2004. Most of this money was deposited directly into his bank account but some was in the form of cash and/or cashier's checks. As soon as the City Auditor identified there was probable fraud they contacted the Austin Police Department and the District Attorney's Office (DA) and then worked with the DA's Office in completing this case for them.

Ms. Wynne identified several lessons they learned from this investigation including the need for better contract requirements and oversight, as well as establishing a good working relationship with the DA, and that assisting the DA in completing the work is essential in getting your investigations into court.

Speaker's Biography

Ruth Vaughan Ford

Ruth Ford is Special Assistant for Expenditure Analysis in the state's Office of the Comptroller. In this role, her primary responsibility is management of the Expenditure Analysis Center, which examines the state's fiscal concerns and suggests plans for the improvement and management of general revenue. This program alerts the Comptroller to inefficiencies and possible fraud in state expenditures.

Ruth has produced financial reviews of the state's foster care system and the higher education financial aid system. Additional reviews focus on the financial impact of the uninsured in Texas, the Electric Reliability Council of Texas, judicial pay in Texas, the Central Texas Regional Mobility Authority and the state's new call center model for eligibility determination.

Prior to becoming the Comptroller's Special Assistant, Ruth produced the e-Texas Performance Review that examined all levels of state government and recommended ways to save taxpayer dollars and improve government services. The seven performance reviews of Texas state government have produced recommended savings of \$16.6 billion dollars since 1991. These reviews served as an important source of innovation in Texas government and included the creation of the electronic benefits transfer which ended the paper Food Stamp payment program and creation of improved methodologies to detect Medicaid fraud. The reviews emphasized the use of electronic government by state agencies to improve customer service and to cut the cost of service delivery using the Internet and new communication technologies.

Ruth's professional experience includes policy and budget development, both in the legislative and executive branches of state government. As the senior budget and policy analyst in the Governor's Office of Budget and Planning under three governors, Ruth developed budget and policy recommendations in the areas of Medicaid, human services, and workforce development. She also has extensive experience in school finance, reengineering eligibility systems, implementing strategic planning and performance-based budgeting systems and developing accountability systems for adult education.

The Spotlight's On You!

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

Helen Young has been a member of the Chapter

for the past 2 years.

But maybe you didn't know...

Job Description:

Deputy Commissioner of Internal Audit for the Texas General Land Office

What I'm working on now:

Audits, consulting projects, investigations, fraud prevention, and liaison work with the State Auditor's Office

Best part of my job:

Seeing positive outcomes as a result of the work Internal Audit performs

Ambition and/or Goals:

I would like to do more consulting work and speaking engagements

Years of State service:

15 years

My first job:

Selling jewelry and doing engraving for a small jewelry store

Hobbies:

Songwriting, walking, skiing and sailing

Favorite Movie:

Westside Story

Last book I Read:

The Purpose Driven Life

Favorite foods:

Seafood and fancy salads

Favorite Restaurants:

Jeffrey's and Eddie V's

My pet(s):

Our dog, Lotto; cat, Skittles; and 2 leopard geckos

It's a good day when:

I'm still here!

Pet Peeves:

Waste

What I would do with a surprise afternoon off:

Take a walk, play the piano, and hang out with my family – and my dog

I'm most proud of:

My two precious children, Rachael – a freshman at SMU and Grady – a sophomore at Westlake High

Most people probably don't realize:

I have a Bachelor's of Music in Jazz Studies, received the first arranging emphasis given by North Texas, and have a certificate from Count Basie that addresses me as "the great arranger."

