

## President's Notes

by Brent L. Rumbley, CFE, CPA, CISA



Well, this year has really started off at a fast pace, and with Christmas and then the conference in March of next year, I don't see it slowing down for a while.

However, the holidays are a good time to think about all the things that you are

thankful for, especially now with Thanksgiving behind us and Christmas just around the corner. Good health, family, shelter, and employment are good things to be thankful for. Unfortunately, there are many victims affected by Hurricane Katrina and other recent events that don't have the luxury of warm food on the table and other little things that we sometimes take for granted. That's why I'm asking our membership to bring as many non-perishable food items as possible to the December 15<sup>th</sup> luncheon. We will then take these donations to the Second Harvest Food Bank here in Nashville. Many of you may not know that the Second Harvest Food Bank is an immediate disaster responder, similar to the American Red Cross. Let's all step up and help those in need as we approach the Christmas season. The most needed items are printed elsewhere in the newsletter.

Speaking of the December 15<sup>th</sup> luncheon, we will continue the tradition of providing a free meal to all members. As is customary, there will be no speaker; this will be a time to enjoy a nice meal and each others company. However, you must make your reservations with Doreen Zientar by Tuesday, December 13, at 9:30. Please make plans to attend.

With the upcoming start of a new calendar year, it is time for some of us to renew our chapter membership. Many of you should be receiving renewal notices soon. In addition to the great deal on dues (only \$50 for three years), benefits of membership include great affordable training at a discounted price, networking opportunities, and two free meals a year (December and the June social), just to name a few.

On that note, sometime during the first few months of next year we will be working on filling officer and board member spots for the next chapter year. I really appreciate those that have helped me do my job so far this year. I certainly couldn't do it without them. Please be thinking of ways in which you can serve your chapter. Fred Pasteur is our incoming President, and he will need someone to fill the Vice President's position and others on down the line. I know it's a little early yet, but I hope that you'll start thinking about this.

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## Member Profile

**Heather P. Gleason, CPA**



My name is Heather Gleason. I was born in Detroit, Michigan and raised in a suburb named Ferndale. I attended Wayne State University and graduated in May, 1997 with a BA in Accounting. I had begun working for Deloitte part-time in 1994 as an administrative assistant. After graduating college, I began working full-time at Deloitte on the external audit staff. I passed the CPA exam in November, 1997 and am proud to say that I did so in one attempt, (although I must admit that I had minimal social life the summer prior, trying to prepare!).

In 2001 I decided to move to Nashville and was able to transfer within Deloitte to the office in Hermitage, Tennessee. As such, I have been with the firm for almost 12 years now and feel blessed to have based my career within such a wonderful company. I currently work within the Policy and Compliance Group. We audit the expenses of all US-based employees, in order to ensure that they are compliant with the firm's national expense policy. Unfortunately, as with any company, there are also some incidences of expense fraud uncovered within our audits.

I have an interest in country music, which is why I gravitated to the city of Nashville. In pursuit of a singing career I met my future husband named Stuart Gleason. We were married on July 16, 2004 and live in Murfreesboro, Tennessee. I have a stepson named Garrett who is 6 years old and has embarked upon his first grade of school. We also have two other "sons" which happen to be yellow labs named Kapo and Aspen, (Aspen is also known as "Boo-Boo," much to my husband's dismay!). Stuart and I are also expecting our first baby, due March 30, 2006. We recently found out that we are going to have a little boy, so I will officially be surrounded by boys at the Gleason house! We are busy decorating the nursery, registering for baby items as well as gearing up for Christmas.

I am very close with my family who still all reside in Michigan, including my mother, stepfather, sister, brother-in-law, two nieces and two nephews. My interests include music, going to the lake, gardening, camping, spending time with close friends and just about anything that involves the outdoors.

I feel honored to have been asked to introduce myself to all of you. I always enjoy visiting and learning with my fellow CFE members at our monthly luncheons!

## Case of the Month:

**On-Star: Not Just For Directions & Emergencies Anymore**



Submitted By: Rhonda Coleman  
Associate Member

Before coming to work for the State of Tennessee, I was employed by one of the largest credit card companies in the world. During my tenure at this corporate giant, I worked one of the most interesting and rewarding investigations in my career thus far.

In reviewing our daily reports of newly established credit card accounts with large credit limits, I came across a credit card account established with a company called Bailey, Banks, and Biddle (a high end jewelry store specializing in high quality diamonds and watches). The credit limit on this account was \$100,000 and to that date \$96,000 in six sapphire encrusted Cartier watches had been purchased. The logical and sensible side of my brain told me that the average "Joe" does not go into a jewelry store and purchase \$96,000 in watches all at one time.

I began to review the application information compared to the applicant's credit bureau information and found a discrepancy in the personal information used to open the account. Based on this discrepancy, I was able to employ a number of research tools including Choicepoint and Fastdata to locate the true owner of the social security number. The owner of the social security number turned out to be a very well known horse breeder who lived in Tampa, Florida.

After verifying all the information, this gentleman confirmed he did not open the account. After reviewing the purchases and other information used on the account, the gentleman advanced the belief that the account had been opened by a former friend of his who was the heir to a very large sporting goods empire. The gentleman also added that he believed his friend had opened the account because the friend had long had a watch fetish, and was particularly fond of Cartier watches. The horse breeder provided a description of the possible suspect and a photo taken, at of all places, backstage at a ZZ Top concert.

I continued the investigation and found the suspect had purchased a brand new Cadillac Escalade valued at \$55,000 in the gentleman's name along with 2 platinum encased Mont Blanc pens, \$7,500 worth of furniture, and a big screen television. Due to large amount of loss to all of the financial lenders, I contacted General Motors Financial Credit and was able to obtain

the VIN number for the Cadillac Escalade. I then contacted the jewelry store, obtained a description of the person who purchased the watches, and interviewed the sales associate.

Using this information, I then contacted the United States Secret Service and provided the VIN for the Escalade, the description of the suspect along with the photo, and the details of my conversation with the sales associate. The United States Secret Service was able to hack into the On-Star system on the Escalade and arrested the suspect on the Santa Monica Freeway. The Cadillac Escalade was recovered along with two of the watches. The remaining merchandise had been given away by the suspect. After the investigation was concluded, the victim's credit history was reinstated. In this particular case, the long arm of the law stretched farther than the suspect could stay out of reach.

## November Meeting Minutes

November 3, 2005

The Middle Tennessee Chapter, Association of Certified Fraud Examiners met jointly with the Nashville Chapter, Association of Government Accountants (AGA) on November 3, 2005, at the Nashville City Club. The meeting stood in lieu of the October meeting, in an effort to coordinate schedules with the AGA. AGA Chapter President Dianne McKay welcomed the Middle Tennessee Chapter ACFE and introduced Chapter President Brent Rumbley. Brent thanked Dianne and AGA for having the ACFE as their guests, and expressed his hopes for future joint endeavors. Brent thanked all of the CFE members who attended the day of free training conducted on October 13, 2005. He then reminded members that



- The regular November meeting would be held on November 17<sup>th</sup> at Scarritt-Bennett Center.
- The December meeting would be a social, would be free to members, and would not have a speaker.
- The 10<sup>th</sup> Annual Fraud Conference would be held March 20 and 21, 2006, and to sign up early.
- The contest to win the trip to the ACFE National Conference was ongoing.

These things being done, he returned the floor to Dianne. Dianne asked everyone to participate in a moment of silence in memory of Rosa Parks. She then

asked Melvin Jones to lead the invocation. The head table was introduced, and members introduced their guests. Steve Adams introduced the speaker, Rebecca Paul, CEO of the Tennessee Education Lottery Corporation.

Melinda Patterson won the \$25 door prize, and the meeting was adjourned.

## November Meeting Minutes

November 17, 2005

The Middle Tennessee Chapter, Association of Certified Fraud Examiners met on November 17, 2005, at Scarritt-Bennett Center.

Chapter President Brent Rumbley called the meeting to order and asked members to introduce their guests. He reminded members that the December social would be held on December 15<sup>th</sup> at Scarritt-Bennett Center, and would be free to members. He also reminded members that the Tenth Annual Fraud Conference will be held March 20 and 21, 2006, and that the brochures were available. Finally, he made an appeal for newsletter articles.

Jim Wilson introduced the speaker, Harold O. (Hal) Wilson, PhD., CPA. Dr. Wilson spoke about frauds he has encountered and the strange people and strange events surrounding them. Brent presented him with a proof set of coins. John Jones won the \$25 door prize, and the meeting was adjourned.



## December Meeting Information

The December meeting of the Middle Tennessee Chapter, ACFE, will be held at Scarritt-Bennett Center on December 15, 2005.

Please remember that this is a social meeting, and that there will be no program and no CPE. This is an opportunity for fellowship—OOPS! I mean “networking!” Everyone is invited to come and have a good time. The cost for guests is \$12. Now, even though there is no cost, **YOU MUST MAKE A RESERVATION!** The reservation policy is still in effect, in that if you register past the deadline (9:30 a.m., Tuesday December 13, 2005) you will be charged \$12, and if you fail to make a reservation and show up at the door, you will be charged \$16. In lieu of payment, members are asked to bring non-perishable food items for Second Harvest Food Bank.



## News from National

### **Growing Risk in Louisiana from Disaster Fraud; Certified Fraud Examiners Aid in Protecting Public Interest**

**AUSTIN, TX – November 8, 2005**

The Association of Certified Fraud Examiners (ACFE), the world's largest organization of expert anti-fraud professionals, announced today it will conduct training in Louisiana to increase efforts to reduce the risk of businesses fraud in the region. National anti-fraud expert, Allen Brown, CFE, will lead the ACFE initiative in Louisiana by conducting free anti-fraud training to auditors and state employees.

"The State of Louisiana is currently suffering great economic loss due to the hurricanes and as part of the rebuilding process there will be an inflow of large amounts of money," explains, Allen Brown, CFE, CPA. "The governor, the legislature and state leadership at all levels have made a commitment that these funds will be reviewed and audited to ensure that they are used properly."

Recognizing the importance for certified state employees to remain current in their continuing professional education (CPE), the ACFE with Brown, ACFE adjunct faculty member and Director of Internal Audit at Louisiana Community and Technical College System in Baton Rouge, LA, to teach the intensive 2-day course, Conducting Internal Investigations.

"In a generous offer to help the state employees, the ACFE has graciously provided its anti-fraud resources and allowed me to teach this course free of charge for higher education auditors, at both public and private colleges and universities, and any other State of Louisiana employees, even if, or especially if, currently furloughed, who have continuing education requirements," he says. "I am not surprised as ACFE has always been supportive and generous to all its members."

The course provides the opportunity for state employees who hold certifications and licenses to obtain required continuing professional education

hours. "It offers valuable insight into how to start, conduct and conclude an investigative project. Not only is the information beneficial to auditors and investigators but it also provides a good understanding to management on how to address issues of possible fraud," explains Brown.

"The response and gratitude being expressed by many people is tremendous" Brown says. "Some of whom have not only lost their homes but have also lost their jobs. This training and education is a positive step towards not only reinvigorating Louisiana's economy, but the state of our economy nationwide."



## Annual Conference Contest Point System

The 17<sup>th</sup> Annual ACFE Fraud Conference is scheduled to be held at the Venetian Las Vegas, NV, July 9-14, 2006. Once again, the Middle Tennessee Chapter will hold its annual contest to win an all-expense paid trip to the conference. You can earn points to compete for the trip according to the following schedule. Please remember that each member is responsible for accumulating his or her points and submitting the total number and the accompanying documentation at the conclusion of the contest.

<u>Category</u>	<u>Points</u>
Attending Monthly Chapter Meeting	1 point per meeting
Publish Article in Chapter Newsletter	2 points
Sponsoring a New Member	2 points per new member
Publish member profile in Chapter Newsletter	1 point
Contribution to "Been There, Said That, Done That"	1 point per contribution per Month
Publication of Case Results	2 points
Participating as a speaker in the Chapter Speaker's Bureau	2 points per engagement
Publication of an article in the Association's <i>Fraud Magazine</i>	3 points
Attending the Chapter's 10 <sup>th</sup> Annual Conference	2 points
Service on Chapter Committee	2 points

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## December Food Drive for Second Harvest Food Bank

Second Harvest Food Bank of Middle Tennessee opened its doors in 1978 with commitment from several community leaders. The purpose of the organization was to provide a central distribution center for companies, groups, and individuals who wished to help provide food for Middle Tennessee's hungry. Second Harvest's mission is to feed hungry people and work to solve hunger issues in our community. The Middle Tennessee Chapter, ACFE, will help with this mission this holiday season by donating food brought to the December meeting. Won't you help?

### **MOST NEEDED ITEMS**

- canned fruits**
- canned meats**
- dried beans & rice**
- macaroni & cheese**
- peanut butter**

# The Examiner

December 2005

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## Chapter Officers and Board Members:

President	Brent L. Rumbley, CFE, CPA, CISA	747-5298	brent.rumbley@state.tn.us
Vice President	Fred Pasteur, CFE	741-5518	fred.pasteur@state.tn.us
Past President	Daniel Porter, CFE	741-1651	daniel.porter@state.tn.us
President Emeritus	Dennis Dycus, CPA, CFE	401-7871	dennis.dycus@state.tn.us
Treasurer	Don Johnson	253-2164	don.johnson@state.tn.us
Secretary	Beth Pendergrass, CFE, CISA, CGFM	747-5294	beth.pendergrass@state.tn.us
Training Director	Hellens Kruszynski, CFE	401-7909	hellens.kruszynski@state.tn.us
Member at Large	Bob Cleland	726-7969	bcleland@lecg.com
Member at Large	Sharon Matheny	744-4326	sharon.matheny@state.tn.us
Member at Large	Tom Mathis	425-2468	mathist@dynpsc.org

## Committees

Website	Lew Robbins, CPA	747-5325	lewis.robbs@state.tn.us
Library	Hellens Kruszynski, CFE	401-7909	hellens.kruszynski@state.tn.us
Academic/ Public Relations	Ron Hickman, CPA, CFE	532-7098	
Newsletter	Beth Pendergrass, CFE, CISA, CGFM	747-5294	beth.pendergrass@state.tn.us
Hospitality	Doreen Zientar, CIA	882-7179	dzientar@deloitte.com
Outreach	Fred Pasteur, CFE	741-5518	fred.pasteur@state.tn.us
Job Placement	Herman Statum, CFE, CPA	377-4977	hstatum@deloitte.com
Historic	Hal Wilson, CFE, CPA	898-2367	ProfDebit@juno.com

## Important Meeting Information

**Luncheons are \$8.00 for members who make their reservations by 9:30 a.m. on the Tuesday prior to the luncheon. For members making their reservations after that time on Tuesday, until Thursday morning, and for members who make a reservation but do not attend or call to cancel, the cost is \$12.00. Scarritt-Bennett Center charges us \$16.00 for meals when no reservation is made. Therefore, for individuals who attend without making a reservation, the cost is \$16.00. First-time guests eat free. After a guest's first visit, he or she will be charged \$12.00 for the lunch, provided he or she makes a reservation. Without a reservation, the lunch is \$16.00. Scarritt-Bennett provides excellent meals and plenty of free parking. For reservation contact Doreen Zientar at 882-7179 or by email at: dzientar@deloitte.com.**

## Luncheon Dates

December 15, 2005  
January 26, 2006  
February 23, 2006  
April 27, 2006  
May 25, 2006

March 20-21, 2006 (Conference)

### Directions to our Luncheon at the Scarritt-Bennett Center

From Downtown: Take West End Avenue south to 19th Ave. Turn left on 19th and drive to Division Street. Turn left on Division for about 100 feet, then turn back to the right on 19th Ave. Follow 19th Avenue to Grand Ave., turn left on Grand, turn right from Grand onto 18th Avenue. You will find two entrances to Scarritt-Bennett parking lots on the right just after you turn onto 18th Ave. We will be meeting in the Bennett Building in the Raintree Room on the 2nd floor. The Bennett Bldg. is about the same distance from either parking lot, toward the 19th Ave. side of the campus. Feel free to arrive early and get acquainted with the facility. If you are traveling from the south side of town, travel north on West End to 19th Ave. (You will pass the street that you used to turn on to go to the University Club.) Turn right on 19th Avenue and go to Division Street. Follow the rest of the directions from above. Visit [www.scarrittbennett.org](http://www.scarrittbennett.org) to see a map of their campus.

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