

## President's Notes

by Daniel G. Porter, CFE



The holiday season is upon us already and I'm sure we've all done our shopping early and are ready to coast through the year. For those presents you've purchased we will be giving away wrapping paper at the luncheon

on December 9th. Remember, we will not have a speaker, and lunch is free for members! Lunch will begin at 11:30. Be sure to make your reservations before 9:30 AM on Tuesday, 12/07/04. Contact Doreen Zientar at 615-882-7179 or [dzientar@deloitte.com](mailto:dzientar@deloitte.com).

### 9<sup>th</sup> Annual Fraud Conference

The Fraud Conference is really shaping up and we have already locked in some really good speakers. The conference will be held at the Willis Conference Center on March 21-22, 2005. Go the chapter website [www.middletennesseecfe.org](http://www.middletennesseecfe.org) and click on "Conference Info" for more details. Our seating is limited so be sure to register early. Also, Willis has reduced the parking spaces next to the Center but overflow parking up the street with shuttle service will be available. Please consider carpooling so more of us can park closer. It won't hurt the environment either.

### **November Meeting Minutes:**

#### Chapter Meeting:

The November meeting of the Middle Tennessee Chapter of the Association of Certi

fied Fraud Examiners was held at Scarritt-Bennett Center on November 18, 2004. Chapter President Daniel Porter called the meeting to order, and asked for members to introduce their guests.

Chapter President Daniel Porter welcomed everyone to the luncheon, and asked for members to introduce their guests. He then asked for additions or corrections to the minutes from the October meeting, as published in the newsletter. None were made, so he asked for a motion to approve the minutes. The motion was made and the minutes were approved.

Daniel then asked for submissions to the newsletter for the "Been There, Done That" column and for the "Member Profile" column. He also reminded members about the Ninth Annual Fraud Conference coming up in March 2005. He announced that we will have noted speakers Jim Ratley and Joe Dervaes on the program, among others. He reminded members that we would only have room for 200 attendees, and suggested that members register early, and reminded members of the cost. He then announced that the next meeting would be December 9, and would be our Christmas luncheon.

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## November Meeting Minutes (Continued)

Glen McKay then introduced the speaker, Art Alexander, Director of the Tennessee Division of County Audit, who discussed how his experience in auditing has led him to believe that perpetrators of fraud are not always "the sharpest knife in the drawer." Daniel presented Mr. Alexander with a speaker's gift of a mint set of coins.

Jennifer Deyo won the \$25 door prize, and Daniel adjourned the meeting.

## The World's Dumbest Fraudsters by Joseph T. Wells

(Partial article excerpted from ACFE website <http://www.cfenet.com/resources/Articles/ViewArticle.aspx?ArticleID=38>)

### How hide-and-seek becomes a game for auditors.



In Wichita, Kansas, police arrested a 22-year-old male who tried to pass two counterfeit \$16 bills at an airport hotel. And in St. Louis, a bus carrying five passengers was involved in an accident. However, when the police arrived, 14 more people were aboard the bus, all complaining of whiplash and back pain. Not very smart. But at a time when CPAs hear so much about how ingenious fraudsters at high levels can be, it's good to know they're not all so powerful or clever. As a matter of fact, some—as my English friend says—may be one sandwich short of a picnic lunch.

I've searched high and low to bring you examples of the dumbest of the "dumbsters." And I admit it up front: The only lesson to be learned is just how stupid some people can be. Sit back and enjoy.

### THINKING BIG...

As Dorothy Marie Livingston approached the new-accounts clerk at a bank in Newport, Pennsylvania, they exchanged smiles. Ms. Livingston explained that she wanted to open a checking account.

The clerk was efficient, pleasant, professional and brand new on the job. Once the paperwork had been completed, it was time for Ms. Livingston to put

money in her new account. The clerk asked, "And how will you be making your initial deposit?" Ms. Livingston opened her purse, withdrew a \$1 million bill and handed it across the desk.

The new-accounts clerk, concealing her astonishment at the large bill she was holding, dutifully recorded the deposit and gave her customer a receipt. "We're glad to have your business," the clerk said with a smile. They shook hands and Ms. Livingston walked out. Before the counterfeit deposit was discovered a few days later, Ms. Livingston had managed to transfer an undisclosed sum to her husband's bank account.

Regrettably, the new-accounts clerk hadn't been trained to know that the fake \$1 million bill was 10 times the value of the largest bill ever printed by the government—a \$100,000 bill existed for about three weeks in the 1930s—and 10,000 times that of the \$100 bill, which is the largest denomination in circulation now. And while the clerk learned a hard lesson, Dorothy Marie Livingston learned about hard time.

### ... AND EVEN BIGGER

In a similar effort, a Utah auto mechanic, Kevin Jackson, showed up at a bank with a \$100 million U.S. bond, demanding he be given the entire principal and another \$100 million in interest. On his way to serve four years in prison, police revealed to Jackson what had tipped them off: The largest U.S. bond ever issued was \$1 million.



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## Chapter Officers and Board Members:

President	Daniel Porter, CFE	741-1651	daniel.porter@state.tn.us
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## Committees

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## 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 18, 2004 - 3rd Thursday  
December 9, 2004 - 2nd Thursday  
January 27, 2005 - 4th Thursday  
February 10, 2005 - 2nd Thursday  
April 28, 2005 - 4th Thursday  
May 26, 2005 - 4th Thursday

### 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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