

President's Notes

by Daniel G. Porter, CFE



As we begin a new year of luncheon meetings and begin planning for the Ninth Annual Fraud Conference, I would like to reflect upon some of last year's accomplishments of our members and our Chapter.

First and foremost, we were selected as the Chapter of the Year beating out all other chapters across the globe (see photo of award above). Several of our members were recognized for their accomplishments including Dennis Dycus who received the Outstanding CFE in Government Award. Our Annual Fraud Conference was another success and provided some great training and networking opportunities for our members and others. The food at our luncheons was always good and the majority of our speakers were very good as well. We also made a total of \$10,000 in donations to area Habitat for Humanity organizations. Details of the dedication of a Habitat home in Murfreesboro that our donation helped build are located elsewhere in the newsletter. In addition, we awarded a total of \$10,000 in scholarships to area students. These are only a few of the things the Chapter accomplished last year of which we can all be proud.

I am honored to be president of such a quality and active chapter and plan for our chapter to continue to contribute to the community through our fraud education efforts and charitable activities, but most importantly to provide value to you, the members.

Luncheons

After much discussion last year about changing locations and investigating alternate sites, the Board decided that our luncheons will continue to be held at Scarritt-Bennett Center in the Raintree Room. We made this decision based upon many factors including the free/convenient parking, quality meals and service, and reasonable prices. A list of the luncheon dates and directions to Scarritt-Bennett is located elsewhere in the newsletter. Doreen Zientar has again graciously volunteered to take reservations for the luncheon and you can contact her at 615-822-7179 or by e-mail at dzientar@deloitte.com. Please remember to make your reservations early.

Joint Meeting with the Institute of Internal Auditors

We will have a joint luncheon meeting with the local IIA chapter on February 10 at Scarritt-Bennett, so be sure to attend and network with our colleagues from the world of internal audit.

In this issue:

Membership Change	2
September Speaker	3
In Memoriam	3
Featured Fraud Films	3
Habitat House Dedication	4
Been There, Said That	4
Will Work for Training	4
Directions to Scarritt-Bennett	5
Meetings & Events	5
Officers and Contacts	5

President's Message (Continued)

Annual Fraud Conference

The conference committee will begin meeting soon to plan for the conference and we welcome your input. If you have suggestions regarding speakers, subjects, materials, etc. please contact me or any of the board members.

2004 National Fraud Conference in Las Vegas

Tom Mathis won a free trip to the ACFE National Fraud Conference in last year's contest and attended the conference in Las Vegas. As President-elect I attended the conference and it was a great experience. Dennis Dycus attended as a speaker and we all had a good time and met some speakers who we may recruit to present at our local Fraud Conference. One personal note about that "dry heat" not being hot...believe me it was hot and I'll take Tennessee humidity any day! The rules for this year's contest for an expense paid trip to the conference in Washington, D.C. will be posted on the Chapter website and printed in the Newsletter from time to time. I encourage you all to participate in the contest.

Membership Change

In recent months, the National Association of Certified Fraud Examiners has changed its policy of allowing chapter members who are not also members of the national organization. Previously, a person could be a chapter member, but not a member of National; that is no longer true. Non-members may attend chapter meetings, but only as guests. In order to facilitate the transition, the board of the Middle Tennessee Chapter has voted to allow all chapter memberships current as of August 15, 2004, to expire under the old policy. The board would also like to encourage anyone who has not joined the national association to do so. Here are some of the benefits of being a member of the National Association.

- **Fraud Magazine™**, a bimonthly publication, free to members, devoted to insightful articles on fraudulent activities and fraud examination techniques.
- **Fraud Examiners Manual**, regarded as the reference standard for the industry, is a comprehensive guide that fully explains the latest information on fraud examination techniques, methods, and procedures. The Fraud Examiners Manual is free to new members on CD-ROM upon joining the ACFE.
- **The Fraud Examiner**, a monthly electronic newsletter, free to members, created exclu-

sively for ACFE's anti-fraud community, contains membership information, announcements, fraud terminology and statistics, member highlights and ACFE achievements.

- **Continuing Education** The National Association sponsors over 60 learning events annually and more than 18 self-study courses to expand your anti-fraud knowledge and enhance your professional skills. Since all ACFE events, self-study and online courses are NASBA (National Association of State Boards of Accountancy) approved, with the exception of Fraud Magazine™ and the CFE Exam Prep Course, you earn valuable CPE credits.
- **Fraud Resources and Information** As a member of the National Association, you have access to statistics, an online article database, and more in-depth resources on a topic of interest to you. The ACFE provides books, articles and reports to help you gain deeper knowledge on fraud-related topics from A-Z.
- **Professional Community** Being an ACFE member means joining a 30,000 member-strong network of anti-fraud specialists. You will discover ways to share ideas with peers, learn best practices from industry leaders, share what you know and participate in provocative presentations and intensive tutorials. ACFE members collaborate, investigate and learn worldwide. Connect electronically in the Members-Only section through the Discussion Forums by posting and answering questions or locate members in the Member Database.
- **Career Center** Located in the Members Only section of the website, the ACFE Career Center is a helpful online tool for every member. Search for career opportunities, post a job opening, read career-related articles, use our salary calculator, discover tips about the future of the anti-fraud profession and more.

Once you have earned your certification, the following benefits are also available:

- **Use of Global Credential** The CFE credential is globally preferred by employers looking to hire fraud fighting experts. Once you obtain the CFE, you are permitted to use the CFE seal and promote yourself with materials such as The Certified Fraud Examiner, a brochure that explains what CFEs do and the standing of the CFE designation.
- **Opportunities for Leadership and Recognition** CFEs are encouraged to participate with the ACFE in a leadership position. Our Board of Regents, the governing body of elected

CFEs that sets standards for the credential is comprised of accomplished CFEs. Annual awards and accomplishments of CFEs are recognized in ACFE publications and at our annual conference.

- **Career Advancement Opportunities**

Many major corporations, businesses, government agencies and global entities regard CFE status as an indicator of excellence among the profession and consider the CFE designation a preference for employment.

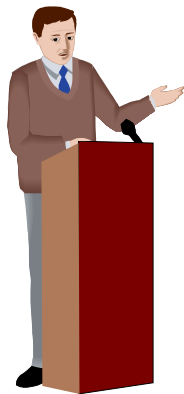
Don't forget about the benefits of being a chapter member, either.

- **Monthly Meetings** Members attend the monthly meetings at the discounted rate of \$8.00, instead of the \$12.00 charged for non-members. In addition to the opportunity to network with others involved in the prevention, detection, and prosecution of fraud, each monthly meeting (except the December and June socials) provide 1 hour of CPE.
- **Annual Fraud Conference** The Middle Tennessee Chapter puts on a two-day Annual Fraud Conference comparable to many national-level conferences. This conference features nationally recognized speakers and provides 16 hours of NASBA approved CPE.
- **More CPE** This year, the board is organizing a one-day seminar FREE to members. If you've been to the Annual Fraud Conference, you know just what a great job this chapter can do!

September Speaker

John Morgan Comptroller of the Treasury

John Morgan was born on January 4, 1952, in Nashville, TN. He is married to Donna Morgan; they have two sons, Brian and Kevin. Mr. Morgan graduated from Austin Peay State University in 1974. He did graduate work at Louisiana State University in 1974-76. He entered state government as a research assistant for the Legislative Fiscal Review Committee in 1976. From 1978 to 1980, he was a research assistant in the Department of Finance and Administration and from 1980 to 1982 was an administrative assistant to the State Treasurer. In 1982, he began working in the Office of the Comptroller of the Treasury as assistant director of Bond Finance, and in 1983, as director of Bond Finance. In 1987, he also became assistant to the Comptroller as well as Director of Bond Finance. In October of 1987, Mr. Morgan left state government,



and was vice president, director of Public Finance for Third National Bank in Nashville. In February of 1989, he returned to state government as executive assistant to the Comptroller of the Treasury. In January 1999 Mr. Morgan was elected Comptroller of the Treasury for a two-year term by the 101st Tennessee General Assembly. He was reelected in 2001 and 2003. Mr. Morgan is a member of the Association of Government Accountants.

In Memoriam

Frances Regina Frangenberg Melton, wife of former Middle Tennessee ACFE Chapter President Stan Melton, died July 22, 2004, at the Alive Hospice Residence in Nashville, Tennessee, after a two month struggle with pancreatic cancer. Born in Pocahontas, Arkansas, in 1943, Mrs. Melton was a loving nurse and tutor who had lived and worked in various parts of the South throughout her life. Fran was a member of Bellevue United Methodist Church, and had a lifelong history of service in numerous ministries. She was also an active supporter of numerous veterans' organizations. Mrs. Melton was a friend of many in the Middle Tennessee Chapter, and attended many chapter and national events over the years. She will be sorely missed, and we extend our deepest sympathies to Stan and all who loved her.

Featured Fraud Films:

Coming to the fraud corner near you!

- Money Laundering: Prevention and Detection
- Embezzlement: The Thieves Within
- Bad Paper: Check Kiting
- Beyond the Numbers: Professional Interview Techniques
- Finding the Truth: Effective Technique for Interview and Communication

Don't let the fraudster get ahead of you... check out these videos and be prepared!

For more information please contact Hellens Kruszynski, Local Chapter Training Coordinator & Librarian at 747-5330 or

Hellens.Kruszynski@state.tn.us

Habitat House Dedication

Our chapter donated \$2,500.00 to the Rutherford County Habitat for Humanity which applied the donation to the construction of the home of the Kay McHenry family. Daniel Porter represented the chapter and attended the dedication of the McHenry home on Saturday, September 4, 2004. Daniel reports that it was a touching ceremony and the family was very appreciative of their new home. After they were presented with a key to their home, 10-year old Cortez sang a beautiful song and Ms. McHenry thanked the sponsors and workers in a very moving speech. Representatives from the organization were also very appreciative of our donation and in a recent email stated "Thank you so much for your support. The McHenry's are overjoyed about their new house!"



Sign outside the home, identifying the sponsors of the Habitat home.



Kay McHenry; Mary Manson; LaCoria, 8; Cortez, 10; on the front porch of their new home.

Been There, Said That, Done That:

A fellow chapter member, Herman Statum, was appointed recently by the American College of Forensic Examiners International (ACFEI) as a member of the Executive Advisory Board of the American Board for Certification in Homeland Security. The ACFEI also granted him the new CHS-V, the highest level of certification in Homeland Security. Mr. Statum adds this new certification to several others such as MS, CPP, and CFE.

The ACFEI is an independent, scientific and professional society and it is the world's largest forensic membership organization. As such, it is not a competitor to the American Society for Industrial Security (ASIS) International (Mr. Statum served as Vice President, Washington DC Chapter Chair, and on the Board of Directors for ASIS), or the Association of Certified Fraud Examiners. But rather, it is a natural ally of both these fine organizations along with others, including the International Association of Chiefs of Police.

Will Work for Training

ACFE offered their seminar "Auditing for Internal Fraud" August 21-22 in Nashville and requested that the chapter provide three volunteers to work registration and to assist the presenter in return for attending the training for free. The board offered the opportunity to member Fred Pasteur as token of appreciation for his willingness to help with various chapter related tasks even though he is not a board member. Chapter members were then contacted via email and offered the opportunity to enter in a drawing to win one of the other volunteer slots. Ron Hickman and Jim Wilson were randomly selected and attended the training. Both Ron and Jim stated they enjoyed the training and didn't have to work too hard.

The Examiner

September 2004

Page 5

Chapter Officers and Board Members:

President	Daniel Porter, CFE	741-1651	daniel.porter@state.tn.us
Vice President	Brent Rumbley, CFE, CPA, CISA	747-5298	brent.rumbley@state.tn.us
Treasurer	Will Hancock, CFE, CPA, CISA	747-5293	will.hancock@state.tn.us
Secretary	Beth Pendergrass, CFE, CISA, CGFM	747-5294	beth.pendergrass@state.tn.us
Member at Large	Rene Brison, CPA, CFE	747-5353	rene.brison@state.tn.us
Member at Large	Hellens Kruszynski, CFE	747-5330	hellens.kruszynski@state.tn.us

Committees

Website	Lew Robbins, CPA	747-5325	lewis.robbins@state.tn.us
Library	Hellens Kruszynski, CFE	747-5330	hellens.kruszynski@state.tn.us
Academic/ Public Relations	Don Hundley, CFE, CPA	356-5695	bnahawk@aol.com
Newsletter	Angela Stanley	741-1651	angela.stanley@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
Chapter Training	Hellens Kruszynski, CFE	747-5330	hellens.kruszynski@state.tn.us

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

September 30, 2004 - 5th Thursday
October 14, 2004 - 2nd Thursday
November 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 to see a map of their campus.

Middle Tennessee Chapter Email: info@middletennesseecfe.org
Association of Certified Fraud Examiners Website: www.middletennesseecfe.org
P.O. Box 198361
Nashville, TN 37219

Association Headquarters: Email: acfe@cfe.net
The Gregory Building Website: www.cfe.net
716 West Avenue 800-245-3321
Austin, TX 78701 512-478-9070
Fax: 512-478-9297