

# Middle Tennessee Chapter of the Association of Certified Fraud Examiners

May 2005

# The Examiner

## President's Notes by Daniel G. Porter, CFE



The rain finally stopped and Summer has arrived. That means our Chapter luncheon meetings are almost over until the Fall and our June social is just around the corner. We are currently making arrangements for the

June social and if the information doesn't make it into this newsletter we'll post it on the website and send out an e-mail.

Our last luncheon of the year will be on May 26, 2005. See the speaker's bio further in the newsletter. Be sure to make your reservations before 9:30 AM on Tuesday, 05/24/05 by contacting Doreen Zientar at 615-882-7179 or [dzientar@deloitte.com](mailto:dzientar@deloitte.com).

The contest for the free trip to the ACFE Annual Fraud Conference in Washington D.C. ends this month. Be sure to have all your points in to Rene Brison by the luncheon on the 26<sup>th</sup>.

### April Chapter Meeting Minutes:

The April meeting of the Middle Tennessee Chapter of the Association of Certified Fraud Examiners was held at Scarritt-Bennett Center on April 28, 2005. Chapter President Daniel Porter called the meeting to order, welcomed everyone, and asked for members to introduce their guests.

Daniel then reminded members that the contest to win a free trip to the National ACFE Conference, to be held in Washington, D.C., was under way. Members should

submit their points to Rene Brison as soon as possible. The winner will be announced at the June social.

Daniel reported that the Ninth Annual Fraud Conference was another success. He apologized for his absence, and thanked Fred Pasteur for filling in for him as Master of Ceremonies. He also told the membership that if they did not like the conference, they should volunteer for the conference committee next year and change the things they didn't like.

Daniel then recognized the nominating committee, consisting of Fred Pasteur, Bob McCloud, and Rene Brison. Fred announced that there were seven board positions, and that there were still a couple of vacancies. He asked anyone interested or wishing to nominate someone who was interested to contact him or one of the other committee members by the Monday prior to the May meeting. He stated that the committee would present the nominees at the May meeting, and that additional nominations will be accepted at the May meeting. If no one is nominated at the May meeting, the committee's recommendations will

### In this issue:

Member Profile	2
Speaker's Corner	2
Technical Articles	3
Certificate Award	4
Directions to Scarritt-Bennett	5
Meetings & Events	5
Officers and Contacts	5

# The Examiner

May 2005

Page 2

stand. If nominations are received, the nominating committee will accept ballots via mail or e-mail until May 30, and the new board will be installed at the June social.

Daniel then reminded members that the next meeting will be May 26 at Scarritt-Bennett Center, and details about the June Social will be forthcoming

Hellens Kruszynski introduced the speakers, Marc Gwyn, Director, and William Benson, Assistant Director, of the Tennessee Bureau of Investigation. Mssrs. Gwyn and Benson spoke on the topic of white collar fraud and spent a bit of time discussing the expected impact of legislation restricting access to cold medicines on the state's meth problem.

Daniel presented the speakers with proof sets of coins as speaker gifts. He then presented Lewis Robbins with his framed CFE certificate. Lewis is the chapter's webmaster.

The \$25 door prize was won by Jan Shapard. Additionally, Mike Cole, Drew Hawkins, Patsy Crook, Don Johnson, and Terry Luna each one items from Daniel's "grab bag."

The meeting was adjourned.

## Member Profile

### Lewis Robbins, CPA, CFE

Lew is one of the behind-the-scenes people who make the chapter run smoothly but gets very little recognition. He has been Chairman of the Website Committee since July 2003 and is responsible for maintaining the Chapter's website ([www.middletennesseecfe.org](http://www.middletennesseecfe.org)).



He received his Bachelor of Science in Mathematics from University of Wyoming in 1991 and worked in the restaurant and banking industries until 2000. He received his Master of Accountancy at University of Tennessee 2001 and from then until the present has been Legislative Auditor for the Comptroller of the Treasury, Division of Municipal Audit where he has participated in over 35 investigative audits. His certifications include CPA and now CFE.

Recently, Lew stated "My two major responsibilities are keeping the Website current and responding to

email addressed to [info@middletennesseecfe.com](mailto:info@middletennesseecfe.com). The chapter officers and other committee chairs have been most helpful in keeping me up to date and by assisting with responses to email. Our hosting company, Magic in the Web, has done a terrific job of posting Website change requests swiftly. After nearly two years in this position, it seems that the biggest challenge is cleaning up out of date information".

Be sure to thank Lew for his work on the website when you see him at the luncheons.

## Speaker's Corner Kendall W. Shull

Kendall W. Shull served as a Special Agent of the Federal Bureau of Investigation (FBI) for over 25 years, retiring in March 2001. During his service in the FBI, Mr. Shull played a significant role in the investigation and prosecution of several major cases both nationally and internationally. Mr. Shull began conducting polygraph examinations in 1991 for the FBI Washington D.C. Field Office, and became a Polygraph Supervisor at FBI Headquarters in 1995. In 1999 he was promoted to Chief and Program Manager of the entire FBI Polygraph Program.



Mr. Shull has lectured to several groups and organizations, has served as a consultant to foreign government polygraph programs, and has briefed members of the U.S. Senate Governmental Affairs Committee staff. He has served as an expert witness in U.S. District Court cases in California, Oregon, and Georgia. Mr. Shull has also conducted and published research on polygraph as well as assisted on other research projects at the Department of Defense Polygraph Institute (DoDPI). He has received numerous awards and commendations from the Director of the FBI, as well as U.S. Attorneys from Washington D.C. and Virginia.

Mr. Shull is a 1971 graduate of Iowa State University. He received a MS degree in polygraph from Jacksonville State University in 1993. He graduated from the Department of Defense Polygraph Institute in 1991 and the FBI's Advanced Polygraph course in 1992 at the University of Virginia.

Mr. Shull's professional affiliations include the American Polygraph Association and the American Association of Police Polygraphists. He was a former member of the Federal Interagency Polygraph Committee, the Department of Defense Polygraph Advisory Committee, the Department of Defense Polygraph Executive Committee, and the Scientific Oversight Committee. He is a licensed polygraph examiner in the state of Virginia.

## Technical Article

### Standards for Writing Fraud Reports

*Source: Fraud Examiners Manual, Association of Certified Fraud Examiners, 2003.*

Fraud reports are used as a basis for litigation and prosecution. Accordingly, they should adhere to five standards.

**Accuracy.** The fraud report must be accurate, devoid of mistakes in dates, amounts, spelling or even in recording the most seemingly unimportant facts or details. Carelessness leaves the entire report open to question and criticism.

**Clarity.** Use clear language not subject to various interpretations.

**Impartiality.** Do not add bias or foregone conclusions. Avoid expressing opinions—let the facts speak for themselves and let others interpret them.

**Relevance.** In every investigation the fraud examiner uncovers facts not relevant to the case; he or she should exclude such information.

**Timeliness.** Fraud examiners should prepare reports during the course of the investigation and not long after the fact. An investigator who does not prepare a report on a timely basis runs the risk of omitting or distorting important data.

## Technical Article

### Bribery and Kickback Red Flags

1. Rising expenses for goods and services.
2. Slow deliveries from or substandard performance by a vendor.
3. Rapidly increasing purchases from one vendor.
4. Excessive purchases of goods or services.
5. No division of duties between new vendor approval and authorization for purchasing.
6. Contracts written to limit competition (for example, sole-source contracts).
7. The same vendor always wins contracts by small margins.
8. The contract always goes to the bid received last.
9. Splitting one purchase into multiples to avoid the approval process.
10. Paying above-market prices for goods or services.



## **Certificate Award**



Chapter President Daniel Porter hands Lew Robbins his framed CFE certificate.

# The Examiner

May 2005

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
Immediate Past President	Dennis F. Dycus, CFE, CPA, CGFM	747-5367	dennis.dycus@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.robbs@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	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
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.

June Social—to be announced!

### 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.

Middle Tennessee Chapter Email: [info@middletennesseecfe.org](mailto:info@middletennesseecfe.org)  
Association of Certified Website: [www.middletennesseecfe.org](http://www.middletennesseecfe.org)  
Fraud Examiners  
P.O. Box 198361  
Nashville, TN 37219

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