

# Report to Members

Making Membership Mean More  
**2012: YEAR IN REVIEW**



## A MESSAGE TO MEMBERS

Earlier this year I conveyed a few of my New Year's resolutions to the ACFE staff in our monthly newsletter. One of them was to refocus on ACFE members and try to look at our organization with a fresh set of eyes. One way for me to do this is to reflect on and appreciate all that we, as an organization, accomplished in 2012.

While our headquarters may be in the U.S., there is no doubt that the ACFE is expanding its reach around the world. We opened a new ACFE office in Singapore to better serve our growing membership in the Asia-Pacific region, as well as hosted the *European Fraud Conference* in London, the *Canadian Fraud Conference* in Ottawa and the *Asia-Pacific Fraud Conference* in Hong Kong to record numbers of attendees.

Another record we set was welcoming more than 2,300 anti-fraud professionals to our *23rd Annual ACFE Fraud Conference* in Orlando, Fla., last June, setting attendance at an all-time high. Here are some more of our achievements in 2012:

- **Increasing benefits for members.** We know our members need different ways to keep up with the latest in anti-fraud news and education. To support this, we released our 2012 *Report to the Nations on Occupational Fraud and Abuse*, a global fraud study revealing fraud's impact on companies



and institutions. We also launched the *Fraud Magazine* mobile app and a new monthly podcast, *Fraud Talk*.

- **Extending our global reach.** As I mentioned before, the ACFE is growing exponentially in countries all over the world. Along with opening our first office in Singapore, we also held our first *CFE Exam Review Course* there in March.
- **Adding products and services.** Last year, we added new resources to enhance membership and provide more options for members. In 2012, we proudly launched the *CFE Exam Online Prep Course* for those preparing for the CFE Exam to access the *Prep Course* on their tablets and smartphones. We hope in 2013 this will continue to be a valuable resource.

As we reflect on the achievements of 2012, let's also preview some of the upcoming highlights you can expect to see in 2013: a new ACFE mobile app that will give members access to account information and resources; new live seminars including *Bribery and Corruption* and *Detecting Fraud Through Vendor Audits*; and, new international learning events in Jakarta, Shanghai and Melbourne. As we move into 2013, I am enthusiastic about all that we will accomplish together. I know that as our membership grows, so do the resources, educational options and benefits we have for our members worldwide.

Sincerely,



James D. Ratley, CFE  
President and CEO, ACFE



Attendees at the 23rd Annual ACFE Fraud Conference in Orlando, Fla., June 23, 2012.

# 2012 Report to Members



+ Nearly 65,000 members worldwide

## A FOCUS ON MEMBERS

The [ACFE Advisory Council](#) remained committed to the improvement and growth of the association. Made up of dedicated member volunteers, the council contributed to the new design of *Fraud Magazine*, among other projects. By providing important feedback in this advisory role, members have a unique opportunity to help the ACFE chart the course for the future of fraud prevention and detection.

We added a new member benefit at the online [ACFE Career Center](#) — free, live webinars to help you build a successful career and job search strategy. The webinars feature top career authors and experts with insights that are delivered right to your computer. The ACFE also offered seven free, members-only anti-fraud webinars (providing CPE credit) throughout the year.

ACFE President and CEO James D. Ratley, CFE, engaged in [live web chats with members](#) who shared their thoughts, suggestions

and insights on the fight against fraud — not to mention just telling a few “war stories.” The ACFE looks forward to hosting more of these chats in 2013.

[Fraud's Hidden Cost to You and Your Organization](#), an exclusive training tool created by the ACFE, was made available to CFEs for download from [ACFE.com](#). This resource is designed to educate employees about the warning signs of fraud — and what to do if they suspect it.

The ACFE always strives to provide cutting-edge video features on our website and in our *Fraud Magazine* and *Fraud Examiner* e-newsletters. Now, those practical tips and insightful interviews with experts are just a click away at our [online video library](#).

# 2012 Report to Members



+ More than 17,000 members in the ACFE's LinkedIn Group

## LEADING THE FIGHT

More than 2,300 anti-fraud professionals gathered in Orlando in June for the *23rd Annual ACFE Fraud Conference & Exhibition*. Former U.S. Senator Chris Dodd and Olympus whistleblower Michael Woodford shared their insight and expertise with an audience of CFEs, investigators, auditors, attorneys, law enforcement officers, and other anti-fraud professionals. Also on-hand were *New York Times* and *Forbes* contributor Diana B. Henriques, best-selling author Pamela Meyer, CFE, and fraudster Mark Whitacre (aka "The Informant").

In September, the ACFE took to the airwaves in a new way with the launch of *Fraud Talk*, a monthly podcast. These interview sessions provide opportunities to break down case studies and talk with the industry's leading experts on fraud prevention and detection. In the inaugural podcast, we spoke with Jay Dawdy, CFE, CMA,

president of Gryphon Strategies in New York, about a fraudulent purchasing and billing scheme he investigated. [Listen to the podcast here.](#)

The ACFE unveiled new resources to bolster fraud training and expertise. Publications like the *Bribery and Corruption Casebook* as well as new self-study courses, including *Corporate Governance for Fraud Prevention*, provide case studies and real, practical tools for addressing the latest frauds. Also, the ACFE rolled out a fully-online version of the *CFE Exam Prep Course*.

PODCAST: *Fraud Talk*



Listen to our inaugural podcast featuring Jay Dawdy, CFE, CMA.

# 2012 Report to Members



+ Supported by 148 ACFE Chapters worldwide

## AN INTERNATIONAL PRESENCE

Anti-fraud professionals from around Europe gathered in March for training and discussion of the hottest fraud topics in the region at the *2012 ACFE European Fraud Conference* in London. The presentations by worldwide fraud experts covered subjects including conducting internal investigations, using social media to combat fraud and the challenges of bribery and corruption.

The ACFE's Greece and South Africa chapters held historic events in 2012. More than 800 anti-fraud professionals attended the very first *Hellenic Chapter Anti-Fraud Conference*. In South Africa, more than 750 attendees from 18 countries participated in the *ACFE South Africa Chapter Fraud Conference*, setting an attendance record for the 14-year event.

Also during October, anti-fraud professionals gathered in Ottawa at the *2012 ACFE Canadian Fraud Conference*. Hon. Robert

### PHOTO GALLERY: The ACFE Around the Globe



Krishnamah Sanmugam, an attendee at the first *CFE Exam Review Course* in Singapore, learns she passed the first part of the CFE Exam. [View the entire gallery here.](#)

Nicholson, P.C., Q.P., M.P., Minister of Justice and Attorney General of Canada, imparted the importance of “Standing Up for the Victims of Fraud.”

Due to the increase of fraud on a global scale, and as part of our dedication to serving our members, the ACFE opened an Asia-Pacific office in Singapore. The expanded presence provides a guarantee that those calling the ACFE, no matter where they are, will speak with a live person — not a recording.

In November, professional fraud fighters from around the Asia-Pacific region heard from Leo F. Goodstadt, from the Hong Kong Institute for Monetary Research, and Kevin Zervos, Director of Public Prosecutions for the Hong Kong Department of Justice, at the *2012 ACFE Asia-Pacific Fraud Conference* in Hong Kong.

More than 700 businesses, agencies and other entities worldwide helped to shine a spotlight on fraud during [International Fraud Awareness Week](#) in November. The grassroots movement promotes awareness, detection and prevention through the activities of

## PHOTO GALLERY: ACFE Around the Globe



Attendees during a session at the *5th Annual Africa Conference* for anti-fraud professionals held in Johannesburg, South Africa. [View the entire gallery here.](#)



supporters — including efforts such as live trainings, social media outreach, employee newsletters and other communication tools.

# INTERNATIONAL FOCUS

## Fighting Fraud in Iceland

In November, Hinrik Pálsson became Iceland's newest Certified Fraud Examiner (CFE). Based in Reykjavik, Pálsson serves as Detective Chief Inspector for the Office of the Special Prosecutor, where he heads several investigative teams that deal with financial fraud. He said that banking fraud is one of the issues weighing on the minds of Icelanders today.

*What is the role of the Office of the Special Prosecutor in regards to fraud in Iceland?*

The agency was set up specifically to investigate fraud in relation to the banking crisis. In the autumn of 2008 almost the whole Icelandic financial system collapsed. The agency began very small in early 2009, with five people, but has now grown into an organization counting around 110 employees, including prosecutors, investigators and supporting staff. Today the Office of the Special Prosecutor handles all serious cases of economic and financial crime in Iceland.

*Please tell us about some of your responsibilities as Detective Chief Inspector.*

Investigative teams at the agency are set up on project management basis. My responsibility as Detective Chief Inspector is the



daily running of several investigative teams that each count 2-6 investigators.

*What are some of the most serious fraud threats and challenges seen in Iceland today?*

Fraud and unethical behavior in the financial sector have received a lot of attention in recent years in wake of the banking crisis from 2008 and onwards. Polls have also shown that the public rates serious economic and financial crime to be more of a threat than it used to be.

*What did you do before working at the Office of the Special Prosecutor?*

Previously I worked for the Icelandic National Commissioner of the Police on matters related to security and anti-terrorism.

*What first interested you about the ACFE and influenced you to earn the CFE credential?*

I had been investigating serious economic and financial fraud cases for several years and wanted to further my knowledge in this field. After doing a bit of research I found the CFE credential to be the right choice. One of the things I find interesting is the multidisciplinary approach, drawing on knowledge from accounting, law, criminology, etc.

*Do you have any advice for someone just starting their career as a fraud examiner?*

Never stop learning, and build connections with other CFEs and fraud fighters.

---

**“Never stop learning, and build connections with other CFEs and fraud fighters.”**

---

*What impact has being a CFE, and a member of the ACFE, had on you personally and professionally?*

I have found the CFE credential to be an excellent addition to my previous training and education. As well as giving a solid knowledge base, the CFE credential is well known internationally in the fraud fighting community. I expect earning the credential will be quite helpful to advance my career going forward... Personally I enjoyed very much studying for the CFE exams. I feel being an ACFE member is very beneficial in keeping your knowledge and skills up to date as a professional investigating fraud.

*What are the keys to getting the most out of your ACFE membership?*

Meeting and interacting with other ACFE member through courses, seminars, conferences, etc. is in my view the best way to get the most out of being an ACFE member.

# 2012 Report to Members



+ Nearly 90 online self-study courses and webinars

## FURTHERING THE BODY OF RESEARCH

Organizations around the world lose an estimated 5 percent of their annual revenues to fraud. This and other key benchmarking statistics on fraud were revealed in the ACFE's eagerly-anticipated [2012 Report to the Nations on Occupational Fraud and Abuse](#). Widely cited by experts, media and educators worldwide, the Report provides insight into fraud losses, red flags of perpetrators, detection methods and other factors. Since 2010, the Report has included international data to provide a more complete measure of the global fraud problem.

We wanted to know if experts see an increase in fraud during the traditional holiday shopping period. In November, the ACFE conducted a survey of CFEs in an effort to shed light on the issue — and found that increased financial pressure is the leading reason fraud rises an estimated 20 percent during the U.S. holiday season, according to

participating CFEs. A majority of these experts believe employee embezzlement is the type of fraud most likely to increase during this period. The findings add more insight to the increasing body of research on fraud and the risk factors associated with it.

**VIDEO:** Dawn Mock, CFE



**Dawn Mock, CFE, talks about her role as a Medicaid Program Integrity Administrator.**

# 2012 Report to Members



+ CFEs and Associates in more than 150 countries

## RECOGNITION OF THE CFE

With deep roots in law enforcement, the ACFE continued to support this segment of the anti-fraud community through the Law Enforcement Partnership (LEP). In 2012, the list of partners in this worldwide initiative grew to nearly 70 federal, local and international law enforcement agencies, which includes the FBI, U.S. Secret Service and Internal Revenue Service, Criminal Investigations Division.

The CFE credential continued to garner recognition when ACFE President and CEO James D. Ratley, CFE, was selected by *Accounting Today* as [One of the Top 100 Most Influential People of 2012](#). The exclusive list shines a spotlight on “thought-leaders and change-makers who are shaping the accounting profession.”

### PHOTO GALLERY: ACFE Members



Attendees in session at the 23rd Annual ACFE Fraud Conference in Orlando, Fla. [View the entire gallery here.](#)



# 2012 Report to Members



+ More than 60 live seminars and conferences

## THE ROAD AHEAD: A 25-YEAR MILESTONE

While reflecting on 2012, we also embrace 2013 with a major milestone to celebrate: the 25th anniversary of the ACFE. While we are proud of how far we've come, there are a lot of things we want to accomplish with you. A few of these goals stand out among the rest.

First, this is a high-tech world — and the ACFE strives to use technology in an effort to be with you along every step of your busy workday. Many of you are reading this *Report to Members* on your iPad, for example, in a version specially designed for this device. In 2012, we unveiled a new *Fraud Magazine* mobile app for members, but we don't plan to stop there. The ACFE is currently working on a new app through which you will have access to your ACFE account information, anti-fraud resources currently only available on [ACFE.com](http://ACFE.com) and the ability to purchase training materials and register for events.

The ACFE will continue to increase our global presence and support for members abroad. Our lineup of 2013 international conferences in Europe, Canada, the Asia-Pacific region and other international locations are set to bring prominent, expert speakers and build on the success of previous events that have kept attendees coming back year after year.

Last but not least, our sights are set firmly on making our [24th Annual ACFE Global Fraud Conference](#) the best ever. Preet “Street Fighter” Bharara, U.S. Attorney, Southern District of New York joins actor Stacy Keach (of “American Greed”) former Enron CFO Andrew Fastow and other keynote speakers to make this a conference that attendees will be talking about for years to come. We look forward to seeing you there.