ACFE
Association of Certified Fraud Examiners

Report to Members

EXCHANGE OF IDEAS **2015 year in review**

WELCOME

Welcome message from the President & CEO

The ACFE saw a number of exciting new developments in 2015. The organization surpassed a record 75,000 members and increased our global influence through the creation of eight new chapters, all outside the U.S. We're excited by the initiative taken in our new

WELCOME GLOBAL ENGAGEMENT COMMUNITY RESOURCES ON THE HORIZON

visited the site over the past year.

PRESIDENT & CEO

We used 2015 to look at new and exciting ways to increase opportunities for our members. In addition to offering new webinars, we were excited to announce our partnership with the Financial Audit Department (FAD) – Government of Dubai to host the inaugural 2016 *ACFE Middle East Fraud Conference*, February 14-15 at Atlantis, The Palm in Dubai. The event will be the first official event of its kind and the FAD has also joined the ACFE's Law Enforcement and Government Partnership.

The ACFE's Corporate Alliance Program continued to grow in 2015, expanding to more than 60 global partners, 58 percent of which are members of the *2015 Forbes Global 2000* list of the world's largest public companies. In addition to the global community fostered through the Corporate Alliance Program, the ACFE Foundation worked with chapters to raise more than $58,000 to award in scholarships to students worldwide who are interested in pursuing a career in fraud examination.

It was wonderful to see so many members at our *26th Annual Global Fraud Conference* in Baltimore last June. We are excited to hold the event in Las Vegas in 2016. In this report you will see some of the highlights of our global conferences from 2015, as well as the dates and locations for our upcoming 2016 conferences.

This report reflects not only the successes of the ACFE, but demonstrates the impact that each member of the ACFE has on our progress in the global fight against fraud. We are proud of what we have accomplished, but continue to think of even more ways to help support our members and chapters. Your drive and diligence serve as an inspiration for us, and a reminder that the fight against fraud is an ongoing one.

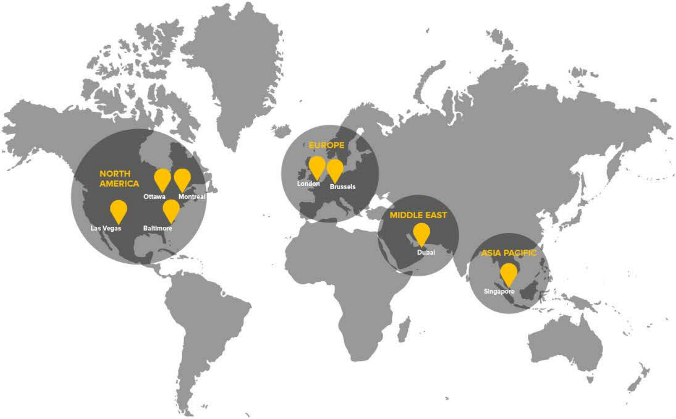
Thank you for helping make 2015 a landmark year for the ACFE.

Sincerely,
James D. Ratley, CFE
President and CEO
Association of Certified Fraud Examiners

GLOBAL ENGAGEMENT

Events Around the World

In 2015, the ACFE hosted events around the world to help our members gain valuable anti-fraud knowledge and techniques, as well as experience unparalleled networking opportunities. Hover over the cities below to explore some of the highlights of the 2015 conferences along with dates for the upcoming 2016 conferences.



COMMUNITY

Corporate Alliance Update

The ACFE Corporate Alliance experienced tremendous growth in 2015 and continues to play an integral role in the fraud, ethics and compliance programs of more than 60 global partners – 58 percent of which are members of the *2015 Forbes Global 2000* list of the world's largest public companies. In addition to providing substantial benefits and savings on ACFE training and products, the Corporate Alliance allows companies like AIA, Airbus, MGM Resorts, Standard Chartered, Target and USAA to make a clear public statement to shareholders, employees and clients regarding their leadership's stance against fraud.

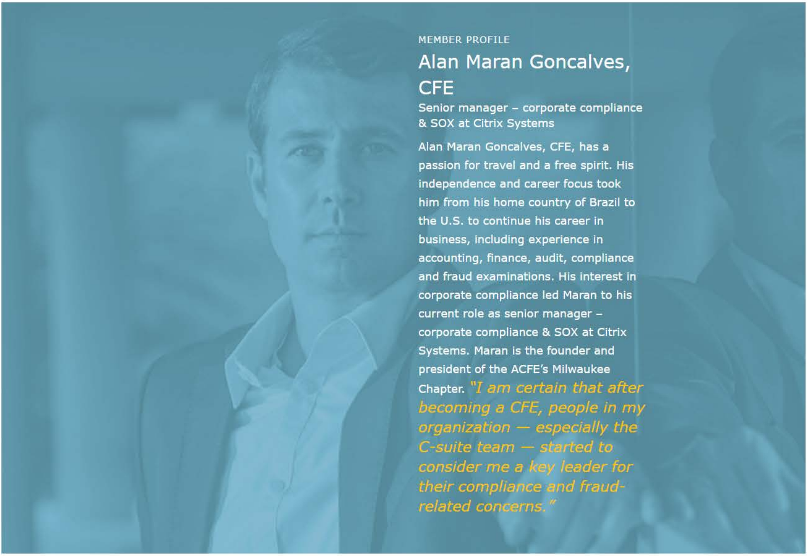
MORE THAN 60 GLOBAL PARTNERS

Of our partners, 58% are members of the *2015 Forbes Global 2000* list of the world's largest public companies

Corporate Alliance partners enjoy unique opportunities to network, benchmark and share best practices with other partners. In 2015, Corporalte Alliance members engaged with their peers over exclusive breakfasts at ACFE conferences in Baltimore, London and Singapore. In addition, the *26th Annual ACFE Global Fraud Conference* in Baltimore included a moderated roundtable breakout session as well as a group outing to an Orioles baseball game exclusively for Corporate Alliance members.

As part of a new initiative during the year, the ACFE hosted its first Executive Anti-Fraud Roundtable in Austin, Texas, in September, where senior leaders participated in a full day of benchmarking and knowledge sharing. Due to the overwhelmingly positive response to this event, we will continue to hold more executive-level discussions and facilitate opportunities for our partners to learn from each other.

> "We see value in partnering with other corporations [to share] information and best practices... Such an initiative is mutually beneficial as latest, uncovered fraud schemes can be shared and tackled in a timely, effective and even collective manner."
>
> — Ho Sheechean
> Head of Investigation,
> AIA Group Limited



MEMBER PROFILE

Alan Maran Goncalves, CFE

Senior manager – corporate compliance & SOX at Citrix Systems

Alan Maran Goncalves, CFE, has a passion for travel and a free spirit. His independence and career focus took him from his home country of Brazil to the U.S. to continue his career in business, including experience in accounting, finance, audit, compliance and fraud examinations. His interest in corporate compliance led Maran to his current role as senior manager – corporate compliance & SOX at Citrix Systems. Maran is the founder and president of the ACFE's Milwaukee Chapter.

> *"I am certain that after becoming a CFE, people in my organization — especially the C-suite team — started to consider me a key leader for their compliance and fraud-related concerns."*

I was born and raised in Curitiba — one of the milder cities in southern Brazil. Like most children in Brazil, I played soccer in school and with my neighborhood friends.

As a child I wanted to be what kids often aspire to be — a fireman, race-car driver, etc. Forensic accounting and investigation certainly weren't in that list growing up! When I was a little older and searching for my "dream job," I noticed that many executives traveled for work, which I thought was very exciting. Later, while working as an auditor, I crossed paths with a highly skilled corporate forensic investigator who encouraged my interest and curiosity in fraud. He helped me understand that there are careers in fraud examinations and the compliance side of law enforcement for someone with a business and corporate background. In fact, as a culturally aware and multilingual professional, I could bring value to the forensics team.

I received my degree from Universidade Positivo — an engaging and innovative private university in Brazil. I met some of my best friends there. We were all young — exploring and discovering the world, dreaming about future careers and personal achievements. I was really committed to my classes and excited about the opportunities I was exposed to in the business world. I joined Ernst & Young as a career auditor and then transferred to the U.S. while my wife pursued her Ph.D.

I'd been with Ernst & Young for several years when I was instructed to call the forensics group to get involved in a potential fraud at one of our clients. A special team came in and worked on that project to investigate the concerns my team noted. That process made me curious about how the forensics team would operate — how would they find more information and make their conclusions? I began to do my own research about investigations and how I could get better when I stumbled upon the ACFE. I was already very intrigued by that work, so I decided to obtain the CFE credential to demonstrate my expertise as a fraud fighter. I became more passionate about the profession after I started leading forensic and fraud-related cases that entailed planning, execution and reporting to senior management.

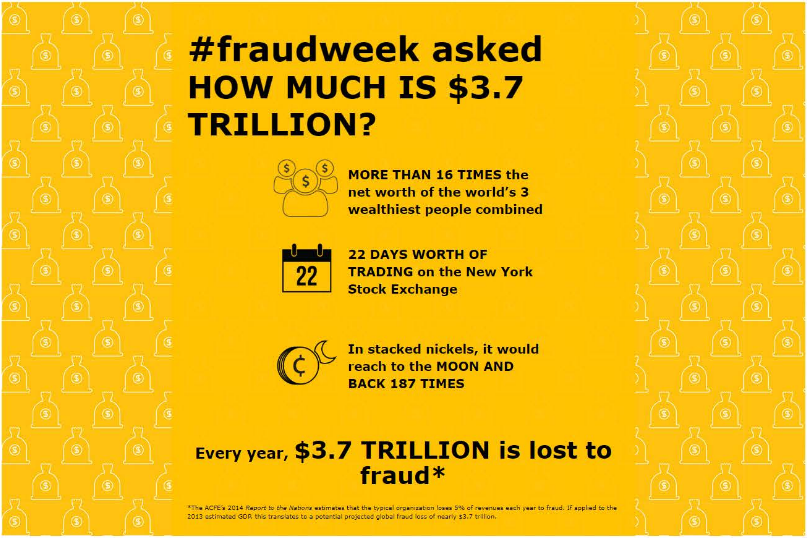
I gained great experience in internal audit, compliance and business risk during the 15 years I worked as a manager for Ernst & Young, a global audit and forensics manager at Tomkins Industries and a regional Americas internal audit manager at Johnson Controls. I was exposed to a range of audit, accounting, finance and compliance positions, as well as many fraud examination cases throughout the world, including large kickback schemes that resulted in more than $1 million in losses. All that experience led to my move to Citrix as senior manager of corporate compliance & SOX. As the senior manager, I ensure that the board of directors, management and employees are in compliance with the rules and regulations of regulatory agencies; that company policies and procedures are being followed; and that behavior in the organization meets the company's standards of conduct. I frequently assess the challenging risks that most companies deal with, such as quickly changing regulations worldwide.

My goal is to ensure that Citrix has a structure to prevent unlawful or improper conduct while cultivating effective cultures that promote integrity and respect for the law. This can be achieved through a good compliance program that extends throughout the business and that reflects regulators' expectations. My key function is to recognize and support company executives so they'll understand evolving compliance risks.

I founded the ACFE's Milwaukee Chapter in 2011. As one of the more active leaders in this process, it was a natural move to become the president. Since then, the chapter has become very dynamic, with monthly sponsored CPE credit opportunities and a good presence in our local community of fraud fighters.

After focusing many years exclusively on my career development, I decided it was time pursue my Masters of Business Administration at Washington State University. This recognized program is a solid step towards my accounting, finance and compliance career because I am exposed to innovative tools, problem-solving techniques and new ways to leading with a global perspective.

I'm proud that I came to the U.S., have traveled worldwide as a CFE and have achieved so much both personally and professionally. I believe that "everything happens for a reason" and that you learn from the lessons you encounter in life, you improve and you move on.



#fraudweek asked HOW MUCH IS $3.7 TRILLION?

MORE THAN 16 TIMES the net worth of the world's 3 wealthiest people combined

22 DAYS WORTH OF TRADING on the New York Stock Exchange

In stacked nickels, it would reach to the MOON AND BACK 187 TIMES

Every year, $3.7 TRILLION is lost to fraud*

*The ACFE's 2014 *Report to the Nations* estimates that the typical organization loses 5% of revenues each year to fraud. If applied to the 2013 estimated GDP, this translates to a potential projected global fraud loss of nearly $3.7 trillion.

Fraud Week 2015: Fighting Fraud Worldwide

International Fraud Awareness Week 2015 proved to be another great opportunity for fraud-fighters around the world to show their support this past November.

There was strong support in state government — Governor Greg Abbott of Texas, Governor Pete Ricketts of Nebraska and Governor Mark Dayton of Minnesota all issued official proclamations in support of the initiative.

Colleges got creative

- The University of Central Florida hosted a screening of "Catch Me If You Can," about conman Frank Abagnale Jr.
- the ACFE Purdue University Chapter held an anti-fraud seminar.
- Utica College waived application fees for their online fraud and financial crime degree programs as well as had a complimentary webinar centered on identity theft and money laundering.

Fraud against the elderly was tackled

- Legacy Caring launched an anti-fraud video and Detective Rick Belik, CFE of the Omaha Police Department gave two senior fraud talks educating seniors about common scams and how to avoid them.

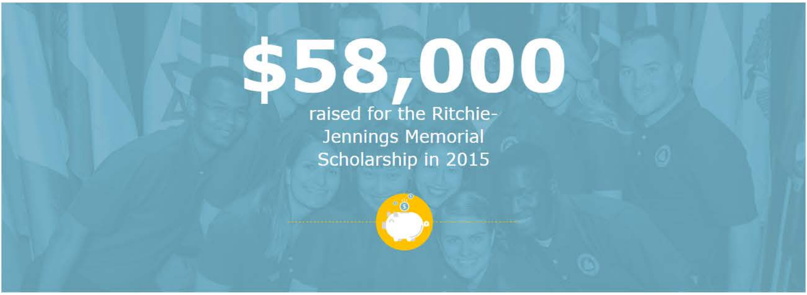
Companies stepped up

- Clorox offered their employees specific fraud-prevention training and Experian hosted a roundtable event to educate clients on fraud preventive measures for businesses.
- Wessel & Company ran an article in the local newspaper and trained staff on fraud detection techniques.
- SAS posted educational materials on social media each week.
- PriceWaterhouseCoopers India set up kiosks at various regional offices, where they distributed marketing collaterals and hosted Q&A sessions.
- The executives and management at Hollard Group engaged in communications and events to set the "tone from the top" with the staff.
- Whistleblower Security Inc. wrote blog posts and distributed newsletters to educate the public about fraud prevention and detection.

The ACFE would like to thank everyone involved in such a successful International Fraud Awareness Week and give special recognition to our Featured Supporters: CRI Group, FGB, Mashreq, BNP Paribas, ADCB and USAA for their involvement.

> "It was our pleasure to be a part of Fraud Week! Educating experts in fighting fraud and financial crime is our year-round goal, and we look forward to participating again next year."
>
> — Najuma Shields
> Brand Manager, Utica College

While it is easy to think that with this much involvement, fraud will soon be a thing of the past, it is important to remember that with each new piece of technology that emerges, fraudsters continue to evolve. Fraud Week is a great time to examine these risks, but fraud awareness is a year-round effort. Thank you again and we look forward to a host of new wonderful ideas to raise fraud awareness next year.



$58,000

raised for the Ritchie-Jennings Memorial Scholarship in 2015

Ritchie-Jennings Recap

In 2015 alone, the ACFE Foundation awarded $58,000 to college and university students through the Ritchie-Jennings Memorial Scholarship Program for the 2015-2016 school year. The ACFE Foundation, a nonprofit entity, raises funds to support the scholarship program for the education of students worldwide who have an interest in pursuing a career in fraud examination or similar fields. Candidates must be enrolled in accounting, business administration, finance or criminal justice higher-education programs. ACFE chapters help underwrite the scholarship with donations. Also, royalties from books written by ACFE founder and Chairman Dr. Joseph T. Wells, CFE, CPA, help fund the scholarships.

Recipients of the awards for the 2015-2016 school year were: Emily Steelman, Di Nag, Linette Rousseau, Chad Vorwaller, Daniel Morse, Madeline Hart, Jonathan Peck, Adedibu Adesokan, Akingbolahan Akinwumi, Jessica Bartlett, Daniel Bediako, Jennifer Bohne, Cory Campbell, Xueyu Chen, Jeremy Citron, Mark Correia, Lauren Curtiss, Narbold Davaamyagmar, Laura Fox, Courtney Hortsman, Emily Jones, Christy Kulak, Dominic Leisner, Colin McVisk, Jon Paul Patterson, Yelyzaveta Pavlyshyna, Jessica Preville-Roder, Bryant Scott, Anshuman Singh and Peter Wilson.

ACFE Vice President and Program Director Bruce Dorris, J.D., CFE, CPA, CVA said, "Our profession can't survive unless we support the education of our future fraud examiners. We're not automatically self-perpetuating. Experienced CFEs have to support the new generation of anti-fraud professionals."

For more information about the Ritchie-Jennings Memorial Scholarship Program, and to apply for the 2016-2017 school year, visit ACFE.com/Scholarship.

RESOURCES

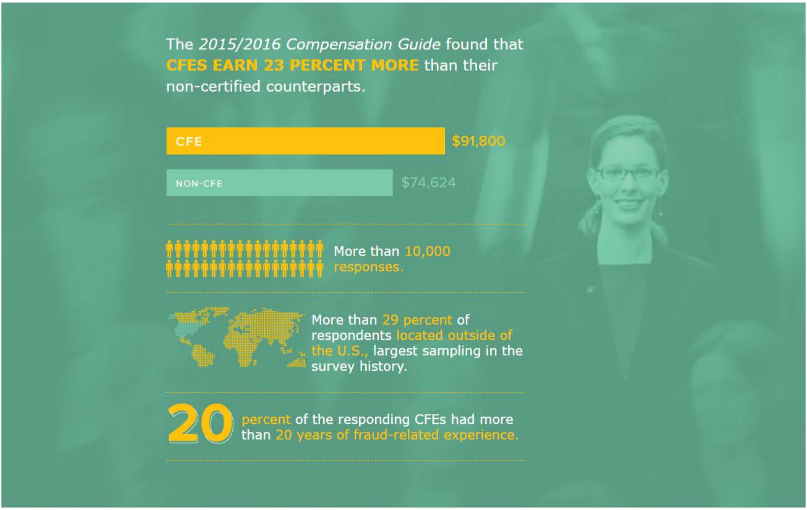
ACFE's New Benchmarking Report Highlights Best Practices

Every type of department can benefit from comparing its structure, resources and performance to those at similar organizations; internal fraud investigation departments are no exception. Often, when evaluating a fraud investigation team, management has to rely primarily on the organization's own historical data. And organizations that decide to establish new fraud teams might have very little data to guide them.

To address the lack of available benchmarking information for internal fraud investigation departments, the ACFE collected data about our members' internal investigation teams and analyzed how they are structured and how they performed, as well as how they measured their own effectiveness. Our report, *Benchmarking Your In-House Fraud Investigation Team*, presents the results of this research, including key findings such as:

- The average number of fraud investigators per thousand employees is 5.1.
- Investigation teams that implement formal performance evaluation metrics tend to see better case outcomes; theinvestigation teams in our study that did not report any formal performance metrics also reported the lowest percentage of fraud losses recovered.
- Internal fraud investigation teams report to a variety of oversight parties; however, the single-most common party to which investigation teams report is the head of internal audit.
- The most commonly reported performance metric for investigation teams was percentage of cases closed year-over-year.

While the circumstances and needs of every organization differ, our hope is that Benchmarking Your In-House Fraud Investigation Team assists you in creating, assessing or implementing changes to your internal fraud investigation team. Download the report at ACFE.com/Team.



The *2015/2016 Compensation Guide* found that **CFES EARN 23 PERCENT MORE** than their non-certified counterparts.

More than 10,000 responses.

More than 29 percent of respondents located outside of the U.S., largest sampling in the survey history.

20 percent of the responding CFEs had more than 20 years of fraud-related experience.

Compensation Guide Reveals CFEs Earn 23 Percent More Than Their Non-certified Counterparts

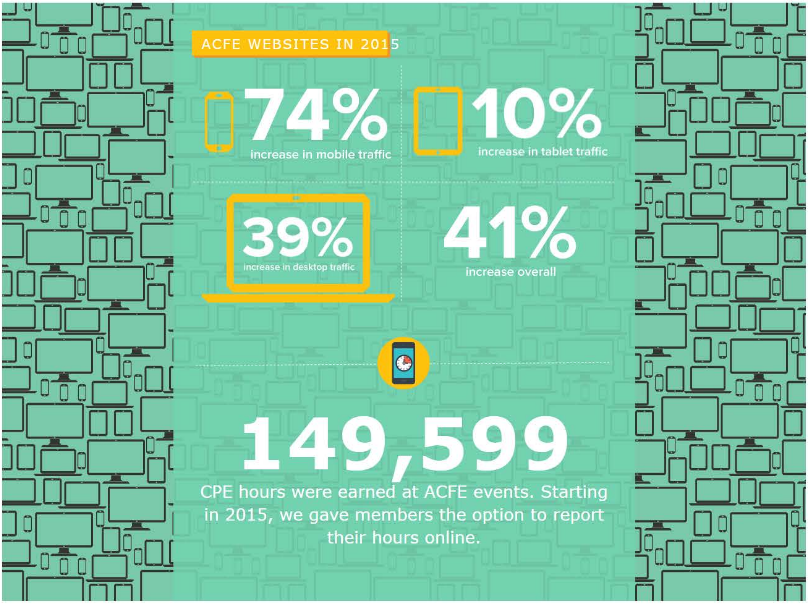
Fraud is a global problem and companies worldwide continue to recognize the need for anti-fraud professionals. The 2015/2016 *Compensation Guide for Anti-Fraud Professionals* represents an ongoing effort to gather the data anti-fraud professionals need to ensure their career is moving in the right direction.

With more than 10,000 responses, the 2015/2016 *Compensation Guide* was created from the largest response we've ever received. Furthermore, more than 29 percent of the survey respondents were located outside of the U.S., the largest sampling in the history of the survey. More than 20 percent of the responding CFEs had more than 20 years of fraud-related experience, and as the data shows, being recognized as an expert in the anti-fraud field increasingly correlates to a significantly higher level of compensation.

According to the report, CFEs continue to earn a significant premium over those without the credential. The survey found that CFEs earn 23 percent more than their non-certified counterparts. Based on participant responses, the median total compensation for a CFE is $91,800, compared to $74,624 for a non-CFE.

The *Compensation Guide* website includes a salary calculator allowing you to create individualized reports by selecting qualifying factors like industry, job function and level of responsibility. This feature makes it easy to evaluate where you stand in relation to your colleagues and provides information you can use when negotiating with supervisors or potential employees.

The full 2015/2016 *Compensation Guide for Anti-Fraud Professionals* is available for download (in PDF format) at ACFE.com/CompGuide.



ACFE WEBSITES IN 2015

74% increase in mobile traffic

10% increase in tablet traffic

39% increase in desktop traffic

41% increase overall

149,599

CPE hours were earned at ACFE events. Starting in 2015, we gave members the option to report their hours online.

Technological Updates

In 2015, reporting your CPE credit for ACFE events went paperless. Attendees at the *26th Annual ACFE Global Fraud Conference* had the option of reporting their CPE using the conference mobile app or online at ACFE.com. Late in the year, regional conferences and seminars adopted the online reporting method at ACFE.com, allowing attendees access to download their CPE certificates more quickly and easily. In addition to CPE reporting going digital, Fraud-Magazine.com was rebuilt to reflect evolving technology and design standards. It still offers members the same timely, insightful articles on white-collar crime and fraud examination techniques, we just improved ways you can access the magazine.

More of you are using your mobile devices as portable offices and to access and deliver information in the field. So we updated Fraud-Magazine.com to be mobile-friendly. New viewing and navigation features allow you to read your favorite articles and columns on the go on all devices — Android systems or iPhones, desktop browsers and tablets.

In a recent *Fraud Magazine* survey, we asked a random group of readers for their Fraud-Magazine.com improvement ideas.

One of the most frequent suggestions was adding a topics menu to allow you to find articles in various fields of study. Now, at the top of any page, you can access these topics: case studies, audit, data analytics, accounting, profiles, investigation, health care, career and global.

In the past, we stored monthly videos on ACFE.com. But now you can go to one place within Fraud-Magazine.com to view all current and past Fraud-Magazine.com videos. We'll continue to archive older videos in the Fraud Resources Library on ACFE.com.

We've renamed our "Special to the Web" articles as "Online Exclusives." You can find them in the Archive tab at the top of the page. We'll also place the newest Online Exclusive articles on the home page each month.

Our archive of past issues is now easier to use. You can still click on each issue to visit past pages, but you'll now be able to access older material by clicking on Featured Article titles for each issue. The new footer at the bottom of the page allows you to explore recently archived issues.

We've also given the website a more visually appealing revamp: cleaner pages, updated article styles, an "I'm a CFE" feature quote box on the home page and much more. See the new design at Fraud-Magazine.com.

ON THE HORIZON

Report to the Nations

For the most up-to-date statistics on occupational fraud, keep an eye out for the ACFE's 2016 *Report to the Nations on Occupational Fraud and Abuse*, which will be released in March. With a record number of survey responses, this report will continue to set the gold standard in fraud reporting around the world. You can find a copy at ACFE.com/RTTN.

2016 Global Conferences

27th Annual ACFE Global Fraud Conference

Las Vegas | June 12-17, 2016

Reach Your Goals. Reach Your Potential. Find the knowledge, connections and resources you need to reach new heights in your fight against fraud at the *27th Annual ACFE Global Fraud Conference*. Join more than 3,000 anti-fraud professionals in Las Vegas, June 12-17, 2016, to share insights and best practices on fraud prevention, detection and deterrence.

2016 ACFE Middle East Fraud Conference

Dubai | February 14-15, 2016

Don't miss your opportunity to connect with more than 300 anti-fraud professionals at the 2016 *ACFE Middle East Fraud Conference*. This premier training event is hosted by the Financial Audit Department – H.H. Dubai Ruler's Court under the patronage of His Highness Sheik Maktoum Bin Mohammed Bin Rashed Al Maktoum, the Deputy Ruler of Dubai, Chairman of FAD and the Chairman of Dubai Media Inc.

2016 ACFE European Fraud Conference

Brussels | March 20-23, 2016

Fraudsters are constantly changing the rules of the game — reinventing old schemes and conceiving new ways to deceive. Learn how to combat their latest tactics with insights, cutting-edge techniques and proven best practices at the 2016 *ACFE European Fraud Conference*.

2016 ACFE Fraud Conference Canada

Montreal, QC | September 11-14, 2016

Discover answers to the challenges and critical issues faced by anti-fraud professionals in Montreal, September 11-14, 2016. With deeper insights to trends and prevention tools to fight fraud in Canada and sessions led by experienced practitioners, the 2016 *ACFE Fraud Conference Canada* will prove invaluable to your career.

2016 ACFE Fraud Conference Asia-Pacific

Singapore | TBD

What challenges do organizations in the Asia-Pacific region face in the fight against fraud? What new methods are fraudsters using to attack organizations' vulnerabilities, and how do we combat them? Discover solutions, connections and resources you need to address these issues and more at the 2016 *ACFE Fraud Conference Asia-Pacific*.

THANK YOU!

We want to thank all of our members for making 2015 a successful year for fraud prevention and detection. We look forward to all the new opportunities 2016 will bring.

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