

The Examiner

November 2018

President's Message

By Andrew Hawkins, CFE



Let's Do Something! To start the year, this was my challenge to this year's MTACFE board.

The statement, "Do something" was a running joke in my house over the summer. It was the first year my son was able to stay home by himself. I would come home to find him plopped in front of a TV playing Fortnite or watching TV and I half-jokingly said, "Do Something!" I said

this knowing there was not much else for him to do while stuck inside all day. This became an on-going joke anytime someone was caught lounging around doing, well, "nothing."

I started thinking more about this and thought that I should apply the "Do Something" philosophy to my life and challenge myself to do more, learn something new, or just stop watching so much TV.

Our chapter does many great things each year, but I decided to apply this philosophy to our chapter rebranded as "Let's Do Something," and the board members have responded. We are in the process of planning two community service opportunities for our chapter to give back. More information coming soon.

(continued on page 2)

Inside this issue

Volunteer Opportunities.....	2
November Luncheon.....	3
Member Spotlight.....	4
New Members.....	5
Member Article.....	6
New CFEs.....	8
October Minutes.....	9
CFE Prep Course Giveaway.....	10
Important Meeting Info.....	11
Conference Points Contest.....	12
Chapter Leadership.....	13
Contact Us.....	14
Parking Pass.....	15

Special points of interest

- Upcoming Events—page 10
- Event Sign-In Sheets—page 12



President's Message (continued)

In addition, am I excited to announce the board has approved a MTACFE Sponsorship Program. We will be seeking chapter sponsors who will receive opportunities to promote their company and/or products, participate in networking opportunities and many other benefits. The details of this opportunity will be coming out soon. One of the anticipated benefits of this program will be a networking event that will be hosted by the sponsors. Until then, "Let's Do Something!"

I would like to thank Sam Alzoubi again for his presentation on Fraud in Government. It was very interesting to learn his perspective on fraud investigations and how he approaches and investigates cases.

Look forward to seeing you at our next luncheon on November 15th. We will get to hear from Hal Humphreys, who will presenting on interviewing skills.

Volunteer Opportunities

Atlanta Chapter Speakers Needed

The Atlanta CFE chapter is looking for speakers for its monthly luncheons. If you are interested, please contact the Atlanta chapter's speaker chair, Tyler Wright, at twright@moorecolson.com.

Newsletter Committee Chair Position Is Available!

If you've dreamed of being a newsletter editor, here's your chance! Melissa Boaz, the current newsletter committee chair, is stepping down from her role as chair effective January 1, 2019. She plans to remain on the committee. If you are interested in becoming chair, contact Melissa or Andrew Hawkins. As chair, you are responsible for putting together the chapter newsletter each month. The position comes with three eager committee members who will help you put together a great newsletter each month!

November Luncheon Speaker

Hal Humphreys, CFE

Lead Investigator
[FIND] Investigations

I am a private investigator with 30 years experience in research and analysis. I am a Certified Fraud Examiner, a certified general real estate appraiser, and a licensed private investigator. My background is in due diligence for the financial industry.

I've been a research specialist for years: Real estate research, appraisals, feasibility studies, internal audit, that kind of thing. I dipped a toe into the cold waters of journalism several years ago, mostly out of a love of words, language, and storytelling. I also happen to be somewhat of a gear hound.

I got a call several years ago from a lawyer friend. Knowing my ability to find things (identify connections between property, people, assets, transactions, etc.), he asked if I could help him track down some business dealings that a client's soon-to-be-ex had "hidden" prior to filing for divorce. A couple days pawing through obscure public records in the basement of a rural courthouse (There was a sign on the wall that read, "please do not spit in the ash tray."), and I had not only found the records, but had identified links between soon-to-be-ex and some other businesses about which the client didn't even have a clue.

This led to the question of whether or not I could testify in court to what I found. My lawyer buddy said (in jest), "If only you were a private investigator."

There it was. That moment of clarity when you see all these connections that somehow make sense. That afternoon I began the process of becoming a private investigator.

November Luncheon

We will hold our November luncheon on Thursday, November 15, 2018, at 11:30 am at the Raintree Room at the Scarritt-Bennett Center. Scarritt-Bennett is located at 1008 19th Avenue South, Nashville, TN 37212. Directions are available at <http://www.scarrittbennett.org/about/maps-directions/>.

Important Parking Information

Due to issues with unauthorized parking by Vanderbilt students, **Scarritt-Bennett requires parking passes for those attending events on its campus.** Scarritt-Bennett asked that our luncheon attendees place the parking pass at the end of this newsletter on their dashboard when parking at Scarritt-Bennett Center. You can also download the parking pass at <http://www.middletennesseecfe.org/resources/Documents/Luncheon%20parking%20pass%20PDF.pdf>.

You can use the same pass for subsequent luncheons. Please note that this pass does not guarantee parking will be available. Scarritt-Bennett staff will record license plates and tow repeat offenders without an identifiable pass.

Scarritt-Bennett visitor parking is available in Parking Lot A or Parking Lot B. Please be aware that parking can be limited due to other events held on the same day as ours. Other parking options include the Wesley Place Garage on Scarritt Place between 19th and 21st Avenues or the meters along 19th Avenue. Approximate prices are \$1.00 per half hour and the parking meters are \$1.50 per hour in the Central Business District. Members may want to consider carpooling or bringing cash or change to pay for parking if necessary.

Member Spotlight Jarrod Webb, CFE



While Medicaid managed care is nothing new, enhanced oversight of each Managed Care Contractor's (MCC) program integrity efforts is ramping up by Medicaid agencies across the country. This nationwide effort is thanks, in part, to best practices shared by Mr. Jarrod Webb and his staff. Mr. Webb is the Program Integrity Compliance Manager for the State of Tennessee's Medicaid program, the Division of TennCare.

TennCare provides a wide range of healthcare services for 1.5 Million women, children and adults with disabilities that meet certain eligibility requirements. Tennessee is unique among other state Medicaid programs, as it is nearly 100% managed care with minimal fee-for-service benefits. This environment provides a unique opportunity for Mr. Webb and his team of Compliance Officers, as they oversee the program integrity efforts for TennCare's 3 MCC's and 2 Benefit Managers.

As per Tennessee's contracting language, each MCC and Benefit Manager is required to investigate potential fraud, waste and abuse (FWA) of the TennCare program, via their own internal Special Investigation Unit(s) (SIU). Essentially, this is where Mr. Webb's Compliance Team comes into play, as each contractor's SIU is also required to report their program integrity efforts directly to Mr. Webb's group. Some could see the potential for an adversarial relationship in this sort of environment, but Mr. Webb takes great pride in the working relationships he and his staff have cultivated with TennCare's MCC's and Benefit Managers. Though each contractor is required to provide monthly/quarterly detailed reports on their program integrity efforts and answer to any areas of concern, Mr. Webb leads from a more collaborative perspective, as all parties involved are working towards the same goal of protecting TennCare recipients and saving taxpayer dollars.

Member Spotlight (continued)

Mr. Webb's efforts extend far beyond simply providing oversight. To effectively achieve the goal Mr. Webb is working towards, he must also routinely partner with other internal and external partners as well i.e. TennCare's internal Program Integrity team, the



Medicaid Fraud Control Unit, the Office of the Attorney General, the Office of Inspector General, TennCare's Office of General Counsel, etc. Mr. Webb is prolific in sharing the contracts, forms, templates and best practices used with other state Medicaid agencies as well. Mr. Webb is routinely invited as a faculty instructor at the Medicaid Integrity Institute (MII), is a resource for the Centers for Medicare and Medicaid Services

(CMS) and recently presented at the National Association of Medicaid Program Integrity (NAMPI) conference.

Fortunately, along with his B.S. in Criminal Justice and Certificated Fraud Examiner (CFE) Certification, Mr. Webb's 19 years of Law Enforcement, Investigation, Medicare/Medicaid, Leadership and Training experience provide him with the knowledge and skills needed to effectively manage all of these responsibilities. Mr. Webb is excited and

New Members

Please welcome the following new members to our chapter!

Carl Johnson
Ahmad Lewis

Tennessee Department of Revenue

Superstition Ain't the Way (Part 1)

By Michael Booher, CFE, CPA



My name is Michael Booher, CFE, CPA, and I am an investigator for the Tennessee Comptroller of the Treasury (TCOT). I am also a member of the Middle Tennessee Association of Certified Fraud Examiners (MTACFE). I have written this two-part article in an effort to share lessons for managers (and my fellow fraud examiners who advise them) that I have learned from my work as a fraud examiner. I am not naming names, places, or things particular to any case, but this content is inspired by actual events. Any and all mistakes, errors, and omissions are strictly my own

and not the responsibility of the MTACFE or the TCOT.

The recent Halloween holiday brought costumes, candy, parties, scary stories, and reminders of superstitions. One longstanding superstition in popular culture is that celebrity deaths occur in sets of three. In fact, the top return of a Google search for “bad things happen in threes” is an ABC News story about the nearly concurrent deaths of Ed McMahon, Farrah Fawcett, and Michael Jackson in 2009. Despite its popularity, this lingering belief in a cosmic scorecard ensuring balance in the universe by plucking trios of celebrities has absolutely no basis in reality. Having said that, looking for patterns of clustered phenomena can be a useful tactic. Fraud examiners and the managers whom they advise would be far better served to look for clusters of alarming behaviors and circumstances that often precede the tragedy of fraud in their organizations.

In the profession of fraud examination, and especially in the niche of fraud investigation, the practitioner is typically introduced to the situation after tragedy has already struck. For example, fraud investigators are called to assess things after a bank account is overdrawn and unexplained cash withdrawals are the culprit. If common superstition were to dictate the practice of fraud examination, then a suggested procedure might be to simply await the arrival of two more unfavorable outcomes. Despite the ludicrous nature of this approach, giving attention to clusters of three-or-more of the kinds of warning signs that lead to losses from fraud, waste, and abuse can be truly beneficial to managers and those charged with preventing and discovering fraud within organizations.

Assuming that the manager, director, or fraud examiner has a passing familiarity with the organization, he or she will know who has control over its finances. While there are no absolutes, the existence of these sorts of situations, especially when clustered together, should increase the skepticism of an attentive manager or fraud examiner.

Superstition Ain't the Way (Part 1) (continued)

- ◇ Drastic change in performance.

Over the course of a career, a person is bound to miss a deadline at some point. Honest people can, and occasionally do, miss the due date on the light bill. When it becomes the rule instead of the exception, managers and directors obviously have an issue on their hands. Because non-accountants often prefer to leave the bean counting to the bean counters, they are often willfully blind to these sorts of problems. This creates a tremendous opportunity for an individual who is considering stealing. It is therefore crucial for managers to have an understanding of financial processes and recordkeeping so that they are familiar with operational changes and their consequences, when they do occur.
- ◇ Absorption of more responsibilities.

As organizations shrink and grow, it is very common for all staff members to take on new responsibilities. When layoffs affect the accounting staff, it is not uncommon for one person to assume control of receivables, payables, and custodianship of funds. This leads to obvious opportunity as internal controls have been eroded to an ineffective level. Increased responsibility, especially in the absence of increased compensation, has also been known to help potential thieves rationalize actions that they previously did not have the nerve to realize. It is essential for management to monitor operations after financial processes and responsibilities change, especially if controls have been weakened.
- ◇ Seemingly significant personal problems.

Regrettably, some employees deal with unexpected personal problems due to relationships, health, and other sensitive issues. In addition, these sorts of issues tend to create drastic financial needs for those who experience them. It is important for managers to provide folks with adequate space and time to work through these situations. Unfortunately, individuals who steal from their employers and other organizations often abuse the sort of latitude that comes from a place of empathy. It has also been noted on more than one occasion that some shameless individuals utilize their unfortunate circumstances as a desired source of pity and even praise to endear themselves to others. More importantly (for them), it works to edify a cocoon of social stigma that helps rebuff inquiries into apparent problems they are having at work. In sum, it is important for managers to monitor these situations closely, and to prevent the isolation of their organizations' financial duties.

Superstition Ain't the Way (Part 1) (continued)

Managers and fraud examiners should remain vigilant in monitoring the operations of their respective organizations for the potential development of fraudulent activities. All too often these activities hide amongst the legitimate functions of organizations, and they are committed by these organizations' trusted employees. While there are no surefire, single signs that a trusted employee is stealing from his or her employer, it is still possible to recognize clusters of warning signs that can help to identify fraud and nip it in the bud. For example, if a bookkeeper who controls incompatible duties misses lots of work for a family member's illness and is constantly missing deadlines and blaming it on the fact that he or she has too much to do, it is worth a manager or fraud examiner's time to verify that the bookkeeper is making deposits in a timely manner and using the checkbook only for legitimate needs. Even in the absence of fraud, this might help the manager figure out how to improve the situation. And, in the event that the seed of fraud were about to sprout, it could make all the difference in preventing it from coming to fruition.

Note: Many thanks to those who helped me edit this article and make it better. Part II of this article will explore some steps that can be taken to monitor operations and identify the problems referred to in Part I.

New CFEs

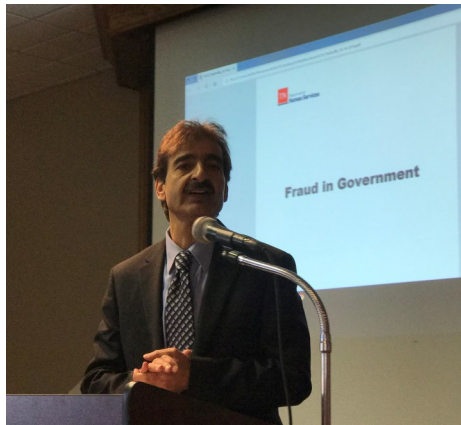
Congratulations to Charity Alexander and Michael Booher, who received their framed CFE certificates at the October luncheon.



October Luncheon Minutes

By Melissa Boaz, Chapter Secretary

The meeting took place at 11:30 am on October 18, 2018, in the Raintree Room at Scarritt-Bennett College in Nashville. Attendees enjoyed a buffet lunch that included salad, mashed potatoes, beef short ribs with vegetables, grilled chicken breasts over spinach soufflé, green beans with mixed vegetables, rolls, and pumpkin cheesecake with Oreo cookie crust and caramel sauce.



President Andrew Hawkins called the meeting to order. Barry Pruitt introduced the speaker, Sam Alzoubi, who is the Director of Audit Services at the Tennessee Department of Human Services. Sam gave a presentation on fraud in government.

Andrew announced that the CPE forms from the Member Benefit Day would be sent via email early next week. Andrew then asked members to introduce their guests. He presented framed CPE certificates to Michael Booher and Charity Alexander. Andrew announced that two courses presented by national ACFE would be held in Nashville in November at the Hilton Garden Inn downtown. "Investigating Conflicts of Interest" will be held on November 5, and "Obtaining, Managing, and Searching Electronic Evidence" will be held November 6 and 7. He announced that the next chapter meeting would take place on November 15. Sean Baker won the door prize.

The meeting was then adjourned.





CFE Prep Course Giveaway

The Middle Tennessee Chapter, ACFE, has a drawing each year to give away a CFE Exam Prep Course, valued at \$745 (member price) to a chapter member who is not yet a CFE. To be eligible:

Contestant must be a member of the Middle Tennessee Chapter of the ACFE, in good standing for at least six (6) months (prior to the date of the drawing).

The Contestant must have not yet earned their CFE certification.

The Contestant must be eligible and willing to meet all requirements to become a Certified Fraud Examiner and sit for the CFE exam by December 31st of the year in which the contestant is determined to be the winner of the contest and receives the prep course.

Should it be determined the winning Contestant has not met the requirements set forth above, the winning contestant must reimburse the Chapter for the cost of the prep course by January 31st in the year following the drawing (i.e. Contestant wins the prep course in June 2018; reimbursement would be due January 2019).

To Enter:

All those who are eligible and agree to the terms of the drawing should contact Melissa.Boaz@cot.tn.gov to enter the drawing and submit the *CFE Exam Prep Course Giveaway Contest, Agreement to Terms and Conditions* form no later than June 8th.

Upcoming Events

Luncheons:

November 15

January 17

February 4 (joint with AGA)

April 18

May 16

Members-Only Events:

December 13

June TBD

Training:

Annual Fraud Conference-March 4-5

Important Meeting Information

Luncheon Reservation/Cancellation Policy—Please Take Note!

Please be sure you make reservations for the luncheons prior to attending. We need the reservations to plan appropriately for our attendees and to eliminate confusion at the luncheons. You will receive a confirmation email after you submit your reservation.



Luncheons are \$10.00 for members who make their reservations by the reservation deadline, usually the COB one week prior to the luncheon. For members who make a reservation but do not attend or call to cancel, the cost is \$20.00. Individuals who attend without making a reservation will also be charged \$20.00.

To cancel your reservation and avoid being invoiced for the event, you must notify the reservationist at nicolette.hudson@cot.tn.gov before the reservation deadline (usually one week prior to the date of the event). If you cancel after the deadline or fail to appear at the event, you will be invoiced for the full per-attendee cost, including other fees that apply as deemed appropriate by the Board. Any pre-paid fees that you have will be applied to the invoiced amount.

Any invoices that are unpaid after 60 days will result in the suspension of membership in the Middle Tennessee Chapter under the current Chapter Bylaws Section 3.09, Non-payment of Dues. As a result of suspension, any reservations you make for future events will not be **ACCEPTED** and you will not be allowed to attend Chapter luncheons or take advantage of member benefits until your outstanding invoices are paid.

We typically have a waiting list for our events, so if you must cancel your reservation, **PLEASE** notify the reservationist at nicolette.hudson@cot.tn.gov as soon as possible, or you may have someone attend in your place to avoid being invoiced for the luncheon. If you have someone take your place, you must notify the reservationist or have the substitution notify the reception/sign-in table at the luncheon when signing-in.

Other exceptions may apply in extreme situations (i.e. death of a family member) and will be reviewed on a case by case basis at the discretion of the Chapter Board at the member's request.

Members, if you are inviting nonmembers to attend who are not first-time attendees, please be sure that they are fully aware of their costs and our cancellation and invoicing policy. First-time guests eat free. After a guest's first visit, he or she will be charged \$20.00 according to the non-member fee schedule. No Free Guests are allowed at joint luncheons, due to elevated costs, or Member Benefits Events, such as the December Luncheon or January Member Benefit Training Day.

If you have any questions concerning the luncheon costs or the Chapter's cancellation policy, please feel free to contact Mark Ingram, Chapter Treasurer at mark.ingram@tn.gov.

Event Sign-In Sheets

Remember to complete the sign-in sheet at the event registration table to be eligible to receive your CPE credits and certificate. The Chapter will email your CPE certificate to you after the event. Once the event has ended, the sign-in sheets are completed. Signatures of the attendees on the sign-in sheet will be the only valid evidence of attendance. If you do not sign in, you waive your right to receive CPE credits.

If you have any questions, please email info@middletnnecfe.org.

Global ACFE Conference Points Contest

Congratulations to Phyllis Pickett, who won an all-expense paid trip to the 2018 global conference, which was held in Las Vegas! Start compiling your points now for the 2019 global conference, which will be held in Austin, Texas! To be eligible for the contest, you must be a member of MTACFE, in good standing, for at least 12 months, and you must have attended a prior MTACFE annual fraud conference. Submit a breakdown of your total points earned between January 2018 and December 2018 to mark.ingram@tn.gov by February 15, 2019. Please have supporting documentation available for your points.

Category and Points

Attending Monthly Chapter Meeting—1 point per meeting

Publish Article in Chapter Newsletter—2 points

Sponsoring a New Member—2 points per new member

Publish member profile in Chapter Newsletter—1 point

Contribution to “Been There, Said That, Done That”—1 point/contribution/month

Publication of Case Results—2 points

Participating as a speaker in the Chapter Speaker’s Bureau—2 points per engagement

Publication of an article in the Association’s *Fraud Magazine*—3 points

Attending the Chapter’s Annual Fraud Conference—2 points

Service on Chapter Committee—2 points

2018-2019 Chapter Officers, Board Members, and Committee Chairs

CHAPTER OFFICERS AND BOARD MEMBERS

President	Andrew Hawkins, CFE	andrew.hawkins@cot.tn.gov
Vice-President	Barry Pruitt, CFE, CCII, CFI, CCTA	bpruitt@houchens.com
Past President	Kesha Thomas, CFE, MCJ	kesha.thomas@cot.tn.gov
Pres. Emeritus	Dennis Dycus, CFE, CPA, CGFM	dfdcpa@bellsouth.net
Treasurer	Mark Ingram, CFE	mark.ingram@tn.gov
Secretary	Melissa Boaz, CFE, CPA, CGFM, CGMA	melissa.boaz@cot.tn.gov
Training Director	Suzzie Singleton, CFE, CGFM	suzzie.singleton@cot.tn.gov
Member at Large	Teri Williams	twilliam@nashville-mdha.org
Member at Large	Jessica Scouten, CFE, CPA, MAFF	jscouten@kraftcpas.com
Member at Large	Phyllis Pickett, CFE	ppickett@deloitte.com
Member at Large	Micheal Baer, CFE, CIA	micheal.baer@cat.com

COMMITTEE CHAIRS

Budget & Finance	Barry Pruitt, CFE, CCII, CFI, CCTA	bpruitt@houchens.com
Conference	Micheal Baer, CFE, CIA	micheal.baer@cat.com
Historic	Britt Wood, CFE, CPA, CGFM, CISA, ACDA	britt.wood@cot.tn.gov
Hospitality	Nicolette Hudson	nicolette.hudson@cot.tn.gov
Job Placement	Amanda Cain, CFE	amanda.cain@cot.tn.gov
Membership	Tom Stoquert, CFE, MBA	thomas.e.stoquert@tn.gov
Newsletter	Melissa Boaz, CFE, CPA, CGFM, CGMA	melissa.boaz@cot.tn.gov
Nominating	Mike Cole	mikecole@deloitte.com
Scholarship/Outreach	Scarlet Sneed, CFE, CPA, CGFM, CGMA	scarlet.sneed@cot.tn.gov
Social Media	Danielle Gwin, CFE	danielle.gwin@cot.tn.gov
Website	Nathan Abbott, CFE, CISA, EA	nathan.abbott@cot.tn.gov

NOTE: Chapter officers and board members comprise the Annual Fraud Conference Committee

**Association of Certified
Fraud Examiners**

Email: memberservices@ACFE.com
Website: www.acfe.com
Mailing address:
The Gregor Building
716 West Avenue
Austin, TX 78701
Phone: 800-245-3321
512-478-9000
Fax: 512-478-9297

**Follow the ACFE in social
media:**



[https://
www.linkedin.com/groups?
mostPopular=&gid=66889](https://www.linkedin.com/groups?mostPopular=&gid=66889)



[https://
www.facebook.com/
AssociationofCertifiedFraudEx-
aminers](https://www.facebook.com/AssociationofCertifiedFraudExaminers)



[https://twitter.com/
TheACFE](https://twitter.com/TheACFE)



[https://
www.youtube.com/user/
TheACFE](https://www.youtube.com/user/TheACFE)

Contact Us

Middle Tennessee Chapter, Association of Certified Fraud Examiners:

Email: info@middletennesseecfe.org
Website: www.middletennesseecfe.wildapricot.org
Mailing address: P.O. Box 198361
Nashville, TN 37219

Follow MTACFE in social media:



www.facebook.com/ACFENashville



www.twitter.com/acfenashville

Scarritt-Bennett Center



ACFE[®]

Association of Certified Fraud Examiners

Middle Tennessee Chapter #27

Scarritt-Bennett Parking Pass

Valid Day of Event Only