

The Examiner

October 2018

President's Message

By Andrew Hawkins, CFE



From what I have gathered and my biased opinion, Member Benefit Day was a huge success! Thank you to all those that attended and to our board members and others who worked behind the scenes to ensure we had an excellent day. This event would not have happened without your assistance. Keep in mind, that this entire event was offered free of charge to our membership. If you were unable to attend, we hope to see you next year.

Alexis Bell presented "The Importance of Data Quality." During her presentation, Ms. Bell mentioned that there are organizations that spend more annually on coffee than they do on their fraud programs. It is unbelievable that organizations are still accepting the risks of fraud without any oversight.

Scott Morantz presented an engaging case study on James T. Hammes, and an \$8.7 million fraud he perpetrated over 11 years and how he hid from authorities for 6 years by hiking the Appalachian Trail. If you not heard or read about this story, please search for it on the internet. One quote I took away from Mr. Morantz's presentation is that, "It is much easier to prevent fraud than to detect it."

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President's Message (continued)

Todd Damiani presented numerous case studies of fraud related to the Federal Department of Transportation. In auditing or investigating construction contracts, he hinted that you might want to pay close attention to change orders.

In closing out our day, Michael Bishop detailed events and the players surrounding a murder that took place in Nashville some 50 plus years ago. Mr. Bishop's diligence and persistence in researching this case over a 15-year period proved the wrong person was convicted of murder and revealed the true killer. Mr. Bishop's presentation revealed to us the investigative and interview techniques used to gather this information. All of the nitty gritty details of this story can be read in his book entitled, "***A Murder in Music City: Corruption, Scandal, and the Framing of an Innocent Man.***"

Sam Alzoubi will be presenting at our next luncheon, scheduled for October 18, 2018. I have known Sam for a long time and he is very passionate about his work in preventing and detecting fraud and I am looking forward to his presentation.

Volunteer Opportunities

Chapter Conference Committee

Interested in being a part of the MTACFE Annual Fraud Conference committee? If so, please contact Drew Hawkins at Andrew.Hawkins@cot.tn.gov or Micheal Baer at Micheal.Baer@cat.com for more information.

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 .

October Luncheon Speaker

Sam Alzoubi, CFE

Director of Audit Services

Tennessee Department of Human Services



In addition to serving as the Director of Audit Services at the Tennessee Department of Human Services, Sam served as Interim Chief Officer of the Program Integrity area for almost one year, taking on responsibilities of multiple divisions throughout Tennessee.

Prior to working at DHS, Sam was a member of the Comptroller's Office Legislative Auditors within the State Audit Division for over 16 years.

During his tenure at DHS, Sam has assisted with many improvements, including

- Procure and implement electronic auditing software (ACL) to significantly reduce the reliance on paper. ACL was put to use 3 months ahead of schedule.
- Restructured the Audit Services Division into 3 subdivisions for effectiveness and efficiency.
- Coordinate efforts to process potential SNAP fraud in a timely manner.
- Increase the State Law Enforcement Bureau (SLEB) agreements between DHS and Police and Sherriff departments within the State to mitigate the risk of SNAP trafficking.
- Provide, as part of the employee's professional and learning development, Certified Fraud Examiner study materials to 27 of the Audit Services staff. Currently there are 17 CFEs within the DHS Audit Services Division.
- Investigate and follow up on allegations of fraud or misappropriation of State's assets.

Sam is a graduate of **The University of Memphis** with a B.A. in Accounting, and **Yarmouk University**, with a B.A. in Finance. Sam also is a member of the Tennessee Executive Internal Auditor Advisory and Auditing Standards Committees.

October Luncheon

We will hold our October luncheon on Thursday, October 18, 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 Greg Dozier

The Early Years:

1. I'm a native! Born and raised in the Nashville and Middle Tennessee area my entire life.
2. Educated in Metro Nashville/Davidson County elementary schools; educated via the hard work of my parents, primarily my mother, at David Lipscomb for both junior high school and senior high school.
3. As far as interests and hobbies and as a kid and a teenager, I took up tennis at a young age and played regularly for 30 years. Yes, at one time, I had a decent club-level game. Ah, those were the days! I also was an avid bowler and bowled regularly for 35 years. I cultivated interests in reading and music. My book, CD, and DVD collections are quite impressive, if you share my tastes. If you don't then you'd look at it all and think to yourselves, "What a waste of time, effort, and money."

The "Getting Serious Years":

1. I've graduated twice from Middle Tennessee State University. Both were undergraduate degrees and about a decade apart. Suffice to say that my academic background is varied and several consider me a highly educated idiot. I've helped in the 'idiot' department when I finally got serious and found a good job worthy of my limited talents and skills.
2. Had worked with a reputable telemarketing and catalog operation for eight years. In that time, I worked as a trainer, a training supervisor, a catalog supervisor, an over-night operations supervisor, and all around trouble shooter. It was valuable and taught me the skills on how to relate to people and interact in a business setting.
3. Married and divorced once each. I have one lovely daughter, who is married and has her own family, and I have one granddaughter, who is the apple of her granddaddy's eye!

The Professional Years:

1. I've worked for the Tennessee Department of Revenue since the mid-1990s. I've worked as a tax auditor for my entire tenure.
2. During this time, I've been proficient in the sales/use taxes, the business tax, and franchise and excise taxes. I've also audited a few of the smaller miscellaneous taxes – tire fee and motor oil come to mind.



Member Spotlight (continued)

3. During this odyssey, I've trained for more than 19 years in the three primary tax types. I've also worked in the Review Unit for two years. This unit's duties include audit review, adjustment, preliminary responses for lawsuits, and to defend the audits for the audit division and the Commissioner at the impartial hearings that taxpayer's may request to settle audit issues, procedures, methodologies, etc. That was a truly interesting period of time.
4. Currently, I've left the field and I'm working in another office audit unit for tobacco taxes. I've got my toes wet and I'm finding what interesting challenges that the tax-paying public and the Department face in sorting out the legal requirements for tobacco reporting and taxation.
5. Now, of interest is this question – what have I encountered for potential fraud during my tenure? Well, I've run into two situations while auditing. Due to disclosure laws, it's very limited as to what I can discuss. However, one dealt with collecting sales tax and then finding ways to purposefully and improperly reduce revenues or increase deductions, which were all invalid and developed by the business' president. Another dealt with tax avoidance on large capital goods used strictly for personal use and no business use whatsoever.
6. The Department has been moving in the direction of increased professional development. I have been fortunate to have several fellow auditors who have all now completed the CFE exam and have their certifications. This seems to be an area of interest in growth and challenge. The biggest challenges for me personally are two: learning to think like a criminal, and to consistently devote enough time to study thoroughly. The former gives me a small grin; the second gives me a moment to scratch my head...

New Members

Please welcome the following new members to our chapter!

Christopher Covington	U.S. Department of Health & Human Services OIG
Michael Goduti	Department of Energy OIG
Misty McGrady	State of TN Bureau of Worker's Compensation
Jan Neal	Deloitte



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:

October 18

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
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Member at Large	Phyllis Pickett, CFE	ppickett@deloitte.com
Member at Large	Micheal Baer, CFE, CIA	micheal.baer@cat.com

COMMITTEE CHAIRS

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Nominating	Mike Cole	mikecole@deloitte.com
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NOTE: Chapter officers and board members comprise the Annual Fraud Conference Committee

**Association of Certified
Fraud Examiners**

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Association of Certified Fraud Examiners

Middle Tennessee Chapter #27

Scarritt-Bennett Parking Pass

Valid Day of Event Only