

# 2009



reflecting on progress

# A MESSAGE TO MEMBERS

As we look back on another year of our fight against fraud, we are reminded of a guiding principle that has helped define our association and the relationship we have built over the last 21 years. When our members are successful, the ACFE shares in that success. After all, you and your fellow members *are* the ACFE. Knowing this, we strive to consistently provide you with the knowledge, training and resources you need to fight fraud more effectively.

Our research confirms that fraud increases in a struggling economy. Fraudsters are more inclined to exploit any weakness available to further their crime. Anti-fraud professionals must remain diligent in their efforts to combat fraud and implement prevention programs to reduce both the number of incidents and the amount of money lost.

Despite the economic downturn, the ACFE continued to set records in 2009: we achieved record membership levels, a record number of our members became CFEs, and we set record attendance at our annual fraud conference. All of these benchmarks show the

strength of the anti-fraud profession and the importance fraud fighters place on their membership in an association tailored to their professional needs.

This allowed the ACFE to flourish. While many professional associations were reacting to the economic downturn by raising dues or cutting back benefits, the ACFE did neither. In fact, we rededicated ourselves to providing the latest in prevention and detection techniques and have set our sights on doing even more in 2010. Our primary goal is to help you succeed.

Last year, we predicted that the weakened economy would provide increased opportunities for fraud examiners. In 2009, those opportunities began to come to fruition. Today the government and many private corporations look to Certified Fraud Examiners and other anti-fraud professionals to decrease waste and abuse.

In 2010 the opportunities for fraud examiners will continue to increase. The ACFE encourages you to accept these opportunities and challenges, and we remain committed to supporting you every step of the way.



**James D. Ratley, CFE**  
President, ACFE



**Scott Grossfeld, CFE, CPA**  
CEO, ACFE



# SERVING OUR MEMBERS

The ACFE and its members met the challenges of 2009 head-on. While many other professional associations were reducing benefits and opportunities in an effort to cut costs, the ACFE held firmly to our commitment to deliver the highest level of service, expert resources and training opportunities for anti-fraud professionals at every level.

For the convenience of our members, the ACFE focused on providing more training opportunities via the web. Self-study courses including *Fraud Risk Assessment*, *Ethical Theory for Fraud Examiners*, *Fraud Prevention* and many others were made available online in 2009.

Additionally, the ACFE built upon a new opportunity introduced in December 2008: complimentary online learning opportunities for members. In 2009, ACFE members participated in two more timely webinars at no cost — *Identity Fraud: Using Fraud Prevention Technologies to Lower Risk* and *Utilizing Analytics for Enterprise Case Management*.

Two valuable ACFE resources became even more accessible when the ACFE introduced downloadable versions of the *CFE Exam Prep Course* and the *Fraud Examiners Manual*. The offering helped solve the problem of logistics and shipping expense for international members in need of these highly-regarded resources.



» There are nearly **50,000 members** of the ACFE worldwide.

# SERVING OUR MEMBERS

The ACFE continued to enhance the value of members-only benefits including *The Fraud Examiner* e-newsletter and *Fraud Magazine*. Exclusive articles including “How to Avoid Legal Traps in Cyber Security” and “Focus on Expense Account Abuse” joined ACFE-produced video segments to provide timely and practical information for fraud fighters.

Understanding that members often need to access fraud information quickly online, the ACFE added to its online articles, sample documents and other materials with a new feature: *Fraud 101*. This resource on ACFE.com provides fundamental information on types of fraud including money laundering and financial statement fraud, as well as methods of deterrence.

For career development, the ACFE Job Board continued to connect members with the best hiring opportunities for high-level fraud positions, with an average of 40-50 job listings per month online during a difficult economy.

Additionally, the ACFE provided expert Career Coaches at the 20<sup>th</sup> Annual ACFE Fraud Conference and Exhibition to help attendees map out a professional strategy and position themselves in the job market.

Members are supported by  
**129 ACFE chapters**



# SUPPORTING THE PROFESSION

The ACFE Law Enforcement Partnership continued to assist domestic and international agencies at the federal, state and local levels by providing various discounts and benefits upon recognition of the Certified Fraud Examiner (CFE) credential. Among the organizations to become involved in the partnership in 2009 were the U.S. Securities and Exchange Commission (SEC) and the Internal Revenue Service – Criminal Investigation Division (IRS-CI). In all, 20 organizations are currently partnered with the ACFE for this important initiative.

Under the direction of Chairman Mary Schapiro, the SEC took steps to better achieve its mission of protecting investors and maintaining fair and efficient markets. As part of the ACFE Law Enforcement Partnership, more than 200 SEC employees became CFEs in 2009 — and more will be certified in 2010. The recognition and hiring emphasis on the CFE brought on by the Law Enforcement Partnership makes the credential itself more valuable to all present and future CFEs.

Another key ACFE initiative continued in 2009 to support the fraud examination profession and lay the groundwork for its future. The Anti-Fraud Education Partnership provided anti-fraud curriculum and guest speakers to nearly 350 universities and colleges around the world.

The ACFE Foundation worked to encourage students to pursue careers in fraud examination and provide resources for research on the detection and deterrence of fraud. Through the Ritchie-Jennings Memorial Scholarship program, the ACFE Foundation provided 30 deserving accounting and criminal justice students with scholarships to help them along their paths to becoming tomorrow's fraud fighters.

 **Nearly 350 universities**  
participate in the Anti-Fraud  
Education Partnership

# ACFE MEMBER PROFILE

## CFE Fights Waste and Abuse in Tough Economy

As an auditor, Sheila M. Keefe, CFE, CPA was always amazed at the degree of waste and loss that could be identified in a company's financial records — and the reaction to those losses being uncovered.

"It's so insane, the things that get written off," Keefe said. "A controller will waive a \$100,000 error. A board of directors will waive a \$500,000 error."

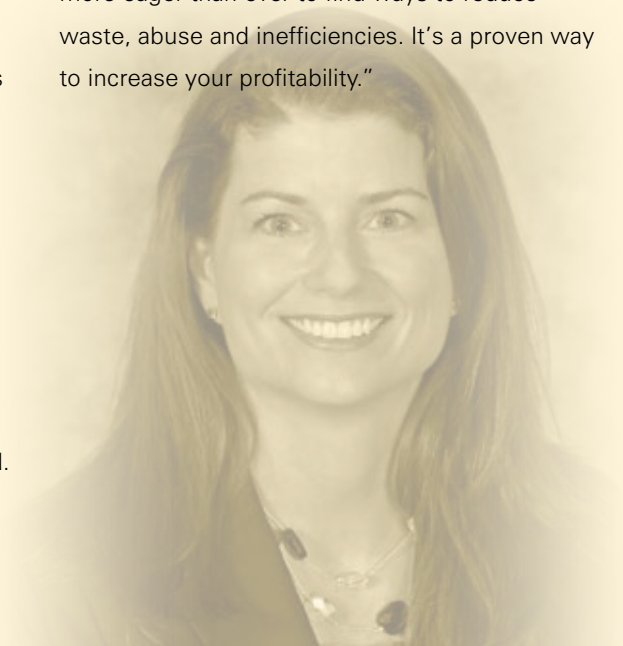
This experience motivated Keefe to take her career beyond the audits she had performed for 20 years. She decided to become a Certified Fraud Examiner (CFE) and to start her own firm, Access Resource Management, with a guiding mission: she would help companies improve profits by identifying hidden waste and abuse through the use of proven fraud prevention strategies and targeted data analytics.

"The steps that businesses take to eliminate waste and abuse could mean the difference in whether they make it in this economy," Keefe said.

"Certified Fraud Examiners are perfect for this type of work because a CFE brings both financial and investigative expertise to each client they serve," Keefe said.

Based in Wisconsin, Keefe has conducted speaking engagements in which she promotes the importance of fraud awareness and prevention to area business leaders.

"In these tough economic times, companies are more eager than ever to find ways to reduce waste, abuse and inefficiencies. It's a proven way to increase your profitability."



# LEADING THE GLOBAL FIGHT AGAINST FRAUD

The world's largest and highest-profile event for fraud examiners lived up to its milestone anniversary in 2009. The 20<sup>th</sup> Annual ACFE Fraud Conference and Exhibition, held at Bellagio in Las Vegas, featured an unmatched lineup of keynote speakers including Madoff whistleblower Harry Markopolos, CFE, CFA and second U.S. Secretary of Homeland Security Michael Chertoff.

With more than 2,000 attendees from all over the world, the Fraud Conference was the largest event in ACFE history. This fact alone is remarkable in a year when many professional associations were drastically cutting back their annual conferences — or cancelling them altogether.

To ensure that attending the Fraud Conference was a worthwhile and valuable experience, the ACFE provided expert training in more than 60 live sessions on fraud, as well as a robust career fair and numerous networking opportunities. A special emphasis was placed on helping anti-fraud professionals position themselves to be valuable and sought-after in the current economic climate.

For those unable to attend the 20<sup>th</sup> Annual ACFE Fraud Conference in-person, the daily updates of video clips, articles, photos and highlights were just a click away on FraudConference.com. The most anticipated and renowned event for anti-fraud professionals was eagerly followed by thousands of Web users around the world.

International Fraud Awareness Week, a movement created by the ACFE dedicated to spreading fraud awareness and information, gained more than just anti-fraud momentum in 2009. It also added more than 350 new Official Supporters, including large organizations such as Deloitte, Best-Buy, the Coca-Cola Company and JCPenney, as well as smaller firms, non-profits and government agencies. From November 9-16, 2009, these Official Supporters held anti-fraud trainings, distributed information and used ACFE materials and resources to help promote a global anti-fraud message. This important outreach helps to elevate the profile of the anti-fraud profession, while achieving a larger goal of increasing fraud awareness as a whole.

# LEADING THE GLOBAL FIGHT AGAINST FRAUD

A trusted and relied-upon source for fraud trends and benchmarking statistics, the ACFE addressed in 2009 the economic crisis and how it relates to fraud by conducting a survey of CFEs and publishing the results in a timely report: "Occupational Fraud: A Study of the Impact of an Economic Recession." Perhaps not surprisingly, the report reflected an increase of fraud over the 12 months prior, according to a majority of survey respondents.

According to the report, about half of respondents cited increased financial pressure as the biggest factor contributing to the increase in fraud.

Additionally, "Occupational Fraud: A Study of the Impact of an Economic Recession" also found that layoffs were detrimentally affecting organizations' internal control systems, and fraud levels are expected to continue to rise into 2010.

The membership base of the world's largest association for anti-fraud professionals continued to grow in 2009. Demonstrating the strength of the profession despite the economic downturn, the ACFE swelled to nearly 50,000 members in 2009 — with more than 26,600 of them certified as CFEs. The ACFE approaches the 50,000-member milestone with a presence in more than 125 countries, supported by more than 129 chapters.

**More than 350 organizations**  
were Official Supporters of International  
Fraud Awareness Week in 2009.



# ACFE MEMBER PROFILE

## Member Sets the Pace for Becoming a CFE

David Kline, CFE is director of internal audit for Boy Scouts of America. He joined the ACFE in 2008, and earned the CFE credential in 2009 after taking the self-study *CFE Exam Prep Course* and attending the *CFE Exam Review Course* in Austin. Kline described to the ACFE his experience in earning the credential:

“My plan was to complete the *CFE Exam Prep Course* just before the *CFE Exam Review Course*. I wanted to take the exam as quickly as possible after the *CFE Exam Review Course*.

“You need buy-in from your family that this is an important goal for you to achieve and time needs to be budgeted for you to study... It’s like going on a diet — you just have to decide to do it.

“You can’t just think about it or talk about it. It’s all about action. Make a plan and execute the plan. I recommend fast tracking this exam. Condense your study time to a few weeks, then take the *CFE Exam Review Course*, then immediately take all four parts.

“The knowledge I gained by studying for and passing the CFE exam will help me as I conduct investigations in the months and years ahead. Also, my department’s credibility will be enhanced with our audit committee with my success on the exam.”

# THE PATH AHEAD

The ACFE is poised for a year of accomplishment in 2010. First and foremost, continuing to provide the highest level of service and benefits for all members is the highest priority. As the world's largest anti-fraud organization and premier provider of anti-fraud training and education, the ACFE will continue to set the standard for best practices in the profession.

The highly-anticipated *2010 Report to the Nations on Occupational Fraud and Abuse* will provide benchmarking fraud statistics for anti-fraud professionals, business and government leaders, the media and the public. For the first time, the Report will include survey data from beyond the U.S. borders, as CFEs worldwide were invited to participate.

In 2010, the ACFE will unveil the new Fraud-Magazine.com, a robust web site dedicated to the ACFE's flagship magazine. Members will have the opportunity to read *Fraud Magazine* online, quickly reference articles and exclusive web features and submit content including article

comments and letters-to-the-editor. The site will provide a new way to share knowledge while taking advantage of this great anti-fraud publication.

An ongoing area of focus for the ACFE will always be enhancing the value and reputation of the CFE credential. In 2010, a new *Compensation Guide for Anti-Fraud Professionals* will be published, providing a comprehensive report on compensation among anti-fraud professionals in multiple industries, functional areas and levels of seniority. Previously, the report has underscored the value and benefits of earning the CFE credential.

The 21<sup>st</sup> Annual ACFE Fraud Conference and Exhibition will bring anti-fraud professionals together in Washington, D.C. July 25-30, 2010. A must-attend event for all serious fraud fighters, the yearly conference has set the bar for its high-profile keynote speakers, expert presentations and valuable opportunities for networking and career advancement. Attendees will leave the conference with practical knowledge and best practices they can use immediately.

Building on the momentum gained in 2009, International Fraud Awareness Week (Nov. 7-13, 2010) will roll out more anti-fraud resources for Official Supporters to encourage anti-fraud training and awareness. This important movement continues to earn interest and support among businesses, government organizations and non-profit entities worldwide. A new presentation and more anti-fraud materials are being developed that will be provided at no charge to participants in this worthy endeavor.

The ACFE looks forward to the year ahead, with all of the challenges and opportunities before us in the anti-fraud profession. Together with nearly 50,000 members, we continue to work to reduce the incidence of fraud and white-collar crime and to increase fraud detection and deterrence.

For more information about the ACFE, visit our web site at [www.ACFE.com](http://www.ACFE.com).



More than **27,000 Certified Fraud Examiners** are working to detect and prevent fraud.

# 2009 REPORT TO MEMBERS



Association of Certified Fraud Examiners

World Headquarters  
The Gregor Building  
716 West Ave  
Austin, TX 78701-2727  
USA

Phone: (800) 245-3321 / +1 (512) 478-9000  
Fax: +1 (512) 478-9297  
Web: [www.ACFE.com](http://www.ACFE.com)

The ACFE Logo, ACFE Seal, CFE, Certified Fraud Examiner and *Fraud Magazine*<sup>®</sup>  
are trademarks owned by the Association of Certified Fraud Examiners, Inc.

©2010 Association of Certified Fraud Examiners, Inc.

reflecting on progress