



### 2010–2011 Officers

**Dave Gordon, MBA, CISA, CFE, CICA, CBA, CIA**

(330) 606-6445

Co-President

**Jerry Mancinetti**

(440) 915-9099

Co-President

**Doug Baker, CMA, CPA**

(216) 896-2505

1<sup>st</sup> Vice President

**Jeff Dobbs, CPA**

(216) 222-2159

2<sup>nd</sup> Vice President

**Eric Andolina, CIA**

(216) 623-7510

Secretary

**Joseph Nejman, CIA**

(440) 392-7520

Treasurer

**Rita Koroluk, CPA, CIA**

(440) 666-4574

Assistant Treasurer

### Board of Governors

Mike Varney, CIA, CPA (216) 623-7553

Sue Schueller, CFSA, CRP (216) 749-6961

John J. Puhalla, CIA, CPA, CISA (216) 910-3544

Tom Kaper, CBA, CFSA (440) 336-1720

John Wasko, CIA, CPA (216) 881-6600  
x6755

Bob Little, CPA (216) 813-8236

Frank Borish, CIA (216) 252-7300

Uleto Fuentes, CPA, CISA, CIA (216) 896-3997

Jay Simon, CFE, CFSA (216) 276-0889

Stephen P. Donovan, CPA (216) 579-2364

John Adamich (216) 583-3439

Dave Schmidt, CPA (330) 384-2349

Jim Jenkins, CIA, CPA (330) 384-5131

Dr. Heidi Hylton Meier (216) 687-3671

Warren Johnston (330) 926-0110

Ken Koncilja, CPA, CMA, CIA (216) 212-9997

### Co-Presidents' Message

**Happy New Year** and welcome to 2011 as we "round second base" to the last half of our 2010-2011 Northeast Ohio IIA Chapter Year!

With the New Year often come resolutions, and as a Chapter Leadership Team, we continue to be resolute in our desire to bring quality programming to our members and member companies in Northeast Ohio. This programming will continue with our monthly meetings in February and March.

In February, on Monday, the 7<sup>th</sup>, we will be holding a **joint IIA/ACFE Meeting – Our Annual Fraud and Forensics Day**. This day is always one of our most popular events as we focus on fraud detection and prevention. Come and enjoy breakfast, lunch and snacks as we learn about the current climate regarding fraud and public corruption in Cuyahoga County, forensic accounting methods and technology, deterring opportunities for fraud in your business, and best practices related to interviewing techniques and observing truthful and deceptive behavior. (See the meeting announcement on page 3).

Added to classes that day, **David "The MossMan" Moss**, entertainment interviewer and FOX-8 personality, will be joining us as our **lunchtime speaker!**

**You can register for this event at <http://guest.cvent.com/d/qdqqdb/1Q> for either morning, or afternoon, or all day sessions – 4 to 8 CPEs - but please register early as we were packed last year. We'd love to see you there and hope you'll invite a friend, too!**

Also, **please mark your calendars for Monday, March 7<sup>th</sup> - our upcoming Annual John Carroll Symposium**. Once again you will be able to experience classes in financial and operational audit, IT audit and professional development tracks. More information will be forthcoming as we approach February.

Finally, congratulations! Kudos to all the Chapters members who have taken the challenge to pursue certification this year. Our incentive and materials to support your study efforts are paying off as more people are gaining certification – way to go group! It's not too late for you to begin this step in enhancing your career potential. Remember to contact Chris Boetto regarding IIA complimentary rental study materials.

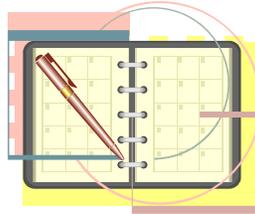
So here's to a healthy and prosperous 2011! Thanks again for your involvement in the Northeast Ohio Chapter – as we "round second base" for the Chapter Year – let's finish strong!

**Happy New Year!**

**Dave Gordon, Jerry Mancinetti – Co-Presidents**

## Table of Contents

Co-Presidents' Message	1
Calendar of Events	2
Meeting Announcements	2
Chapter CAP Program	6
Career & Employment	7
New Members	8
General Reminders	8



*Mark your calendars!*

February 7, 2011	<b>Joint IIA, ACFE Meeting, Fraud and Forensics Day</b>	8 CPEs
March 7, 2011	<b>John Carroll Symposium</b>	8 CPEs
April 4, 2011	<b>Presentation by PNC Bank Internal Audit *</b>	4 CPEs
May 2, 2011	<b>Presentation by Timken Internal Audit</b>	4CPEs
June 3, 2011	<b>Annual Golf Outing</b>	

*\* Also Board of Governors' Meeting Dates*

### **Monday, February 7<sup>th</sup>**      **Fraud and Forensics Day**

Join us for our Annual Fraud and Forensics Day as we welcome 4 speakers on the subject of fraud-related audits and investigations, and forensic accounting. This all-day event offers attendees up to 8 CPEs and a wealth of information on the subject of Fraud. Also, meet David Moss, FOX 8 TV's "MossMan" Entertainment Interviewer who will join us as our Lunch Time Speaker. Feel free to invite a friend or colleague as our event is open to the public.

	Embassy Suites - 5800 Rockside Woods Blvd, Independence
7:45AM – 8:15AM	Registration and breakfast
8:30AM -10:10AM	<b>Morning Session # 1</b> – Richard Blake, Bricker and Eckler Public corruption & fraud and their impact on current economic trends
10:10AM - 10:20AM	Break
10:20AM -12:00PM	<b>Morning Session # 2</b> – Sems & Associates Global electronic discovery & disclosure group leveraging legal technology in forensic accounting work (advanced investigation tools)
12:00PM - 1:00PM	Lunch time speaker – <b>David Moss</b>
1:00PM - 2:40PM	<b>Afternoon Session # 1</b> – Crowe Horwath Fraud risk - why the fraud triangle is no longer enough
2:40PM - 2:50PM	Break
2:50PM - 4:30PM	<b>Afternoon Session # 2</b> – Arvin Clar, Ohio Attorney General's Office Tips on fraud -related interviewing and investigation

## **Class Descriptions & Speaker Bios**

### **Morning Session #1 –**

#### ***Public Corruption & Fraud and Their Impact on Current Economic Trends***

This presentation will address issues relating to the government's increased focus on public corruption and contract fraud cases, and the impact these have had on the way business is conducted in the Cleveland area and throughout the country. The presentation will provide attendees with an insight of how the government operates and steps that auditors and examiners can take to assist clients under investigation or potentially targeted for investigation.

Among the topics to will be covered are the federal government's ongoing public corruption investigations in Cuyahoga County. Attendees will learn about the full scope of the government's investigation and its impact on County government and the City of Cleveland. There will also be discussion on public corruption investigations involving the Northeast Ohio Regional Sewer District, Ohio Department of Transportation and MetroHealth Hospital and how convictions in those cases have impacted those organizations.

Further discussion will highlight the increased focus by federal and state authorities on mortgage fraud and health care fraud and the changing climate for financial institutions and health care providers. Attendees will learn what to look for during internal audits and what government investigators look for when putting together a case. We will also analyze the ramifications for parties accused and/or convicted of criminal, civil or administrative violations and what steps can be taken before and during any investigation.

**Richard H. Blake** is a partner with Bricker & Eckler, LLP in Cleveland and chairs the firm's White Collar Defense and Investigations practice group. Mr. Blake's practice is nationwide, focusing on complex criminal and civil white collar matters, including public corruption, health care fraud and defense procurement fraud. In addition to representing public officials and businesses involved in government investigations, Mr. Blake has been retained by various government bodies, including Cuyahoga County and the Northeast Ohio Regional Sewer District, to conduct internal investigations into potential corruption by public officials and parties doing business with those entities. Before joining Bricker & Eckler, Mr. Blake was an Assistant United States Attorney in Cleveland. During his tenure with the Department of Justice, he was assigned to the office's Affirmative Civil Enforcement Unit, Organized Crime Strike Force, and Economic Crimes Unit. Prior to that, Mr. Blake worked for the Department of Treasury in Washington D.C. as a Senior Enforcement Attorney where he prosecuted bank fraud cases for the Office of the Comptroller of the Currency.

### **Morning Session # 2 –**

#### ***Leveraging Legal Technology in Forensic Accounting Work, Advanced Investigation Tools***

Today's corporate environment has become inundated with information, with yesterday's bankers boxes and cabinets joined by servers, personal computer, tablets and laptops filled with spreadsheets, documents, presentations and e-mail. Forensic accountants and investigators need to search all this data. While once a massive undertaking, pinpointing anomalies and related data is easier now given the application of advanced technology.

Learn about technology that can enable finite search and analysis across broad volumes of disparate data. This session will not only provide an overview of the various tools and how they may be applied within investigations, but also provide live demonstration of them as well.

**David E. Sems, CPA, CITP, CFF** is the founder and President of Sems & Associates. David previously was with Ernst & Young for 11 years where he was the Americas Leader of Forensic Analytics. David has more than 15 years of experience providing services to clients in a wide variety of industries and has extensive familiarity with international work stemming from providing services in 12 countries within Europe and North America. David holds a bachelor's degree in accounting from the University of Akron and is a member of the American Institute of Certified Public Accountants (AICPA) and the Ohio Society of CPAs. He maintains the designation of Certified Information Technology Professional and Certified in Financial Forensics from the AICPA. David is also an associate member of the Association of Certified Fraud Examiners. David has

presented to students and business groups including the Federal Bureau of Investigation, Baldwin-Wallace College, University of Notre Dame, and various chapters of the American Institute of CPAs, Association of Certified Fraud Examiners and The Institute of Internal Auditors.

**Brad Mixner** is the founder and President of Global Electronic Discovery & Disclosure Group. Mr. Mixner created MIII Global LLC, the parent company of Global EDD Group, as an innovative technology company with a global vision. MIII Global ventures range from multimedia communications to professional services, each of which leveraging Mr. Mixner's passion for leveraging technology to connect the world. Prior to founding MIII Global LLC and Global EDD Group, Mr. Mixner provided executive consulting services to a private multinational company that provides a wide range of services to corporate and legal organizations. He came to this company from JurInnov Ltd., a boutique legal technology consulting firm, where he was a consultant and manager of the Electronic Discovery group.

#### **Lunchtime Speaker –**

##### ***David Moss The "MossMan"***

WJW Fox-8 Entertainment David Moss has been interviewing Hollywood's "Biggest Stars" for the past 25 years. David's award winning features are seen on Fox stations around the country. In Cleveland, David produces entertainment features as well as hosts and produces a Nationally Syndicated weekly half hour movie and cooking show "Hollywood & Dine" seen on both FOX 8 and the REELZ Network. The show features Hollywood's biggest stars talking about their favorite foods and what's cooking in their career. Segments from the show are seen all over the world. A five time Emmy winner, David is also an inductee of The Radio and Television Broadcast Hall of Fame. David Moss, also known as the "MossMan", is a native Clevelander and resides in Beachwood with his wife Kimberly and their two sons, Ryan and Adam.

#### **Afternoon Session # 1 –**

##### ***Fraud Risk Why the Fraud Triangle Is No Longer Enough***

After more than 60 years, the classic fraud triangle of three elements or events that motivate an employee to cross the line has morphed into a Crowe Fraud Pentagon™.

Company boards and senior management must take an offensive stance against the five conditions that precipitate fraud with a clear plan that limits the opportunity for fraud and minimizes the impact when fraud does occur. Key takeaways include helping companies to:

- Explore the evolution of the fraud triangle;
- Understand white collar criminal behavior;
- Identify motivators for fraud; and
- Explore ways to fend off fraud with a pre-emptive plan aimed at preventing, deterring, and detecting fraud.

**Jonathan Marks, CPA/CFF, CFE** Partner In-Charge - Fraud & Ethics Group - In his role, Jonathan advises engagement teams and clients on anti-fraud and fraud related matters, including the Foreign Corrupt Practices Act. He also works with boards and senior management on various corporate governance, risk, and compliance matters. Prior to joining Crowe Jonathan was co-owner of a national consulting practice where he directed the firm's Fraud, SEC, Technical Accounting, Governance, Internal Audit, Risk Management, Quality Assurance Review, and Education/Training practices. He began his career at PricewaterhouseCoopers and has more than 22 years of experience. Marks uncovered several fraud schemes and spent more than a year working closely with the attorney general of the United States, the Federal Bureau of Investigation, the Internal Revenue Service Criminal Investigation Division, and U.S. Customs officials in recovering more than \$24 million of assets lost by a public company from a series of thefts and contract breaches. He regularly teaches and lectures nationally on governance, enterprise risk management, internal audit, fraud, IFRS, SEC, accounting, Sarbanes-Oxley, and other topics. Marks has published many articles, several white and point of view papers on accounting, governance, risk management, fraud, and compliance, in many cases before the

topics covered developed into issues of general concern and/or received regulatory attention. Marks recently conducted research on past frauds and fraudsters, which led to expanding on famed criminologist Donald R. Cressey fraud elements of pressure, opportunity, and rationalization to include arrogance and competence. Marks calls the five elements the Fraud Pentagon™.

## **Afternoon Session # 2 –**

### ***Tips On Fraud -Related Interviewing and Investigation***

This course is geared towards the Internal Auditor who may be faced with conducting one-on-one interviews with staff and audit clients in fraud-suspected scenarios. During the session, the attendee will gain insights into how to best structure and focus an effective interview. You will further learn best practices on questioning a suspect related to fraud. Examples and stories will highlight techniques to better understand deceptive and truthful components in the interview process. Together, the group will have some fun practicing how to better determine if a person is being truthful or deceptive...through common signals and behaviors of a truthful vs. deceptive person. Also discussed will be cluster behavior, and profiling of posturing and body language versus verbal responses.

Lastly, the topic of confession versus admissions will be reviewed to help you to better understand the successes of a good investigation and interviewing process.

**Arvin Clar, Special Agent** - Mr. Clar's experience in the field of risk assessment and analysis in the financial services industry spans a thirty five year period. With over 20 years of experience serving in Internal Audit Departments as a Fraud Investigator, Arvin Clar has conducted numerous fraud-related audits and investigations. He has conducted many security evaluations and assessments of banks and credit unions throughout the United States. Arvin Clar is a nationally known seminar speaker, as well as college-level instructor in security and police operations and economic crime. He has addressed many organizations, corporations, and trade groups sharing his experiences and teaching effective techniques in investigating and interviewing related to fraud prevention and detection. Mr. Clar has been published in several national magazines regarding security, fraud and investigations. He is a certified fraud examiner and a certified trainer for the Ohio Police Officers Training Council. He has authored training programs for bank robbery and identity theft and has been a featured guest on National Public Radio.

## **REGISTRATION INFORMATION**

Cost: (Members or Non-Members – please invite your friends and business colleagues)

- \$55 4 CPEs (Morning Sessions and Lunch), or
- \$55 4 CPEs (Lunch and Afternoon Sessions), or
- \$80 8 CPEs (All Day – both Morning and Afternoon Sessions)

If you have any questions, please call Patty Golinski at (216) 337-2685.

**Online** - Go to at <http://guest.cvent.com/d/qdggdb/1Q>

**Pre-payments by check** should be mailed to: Patricia Golinski, CPA Attn: NEOIIA 1145 John Glenn Dr. Seven Hills, OH 44131

**Cash & Checks** will be accepted at the door. **NO credit card payments will be accepted at the door.**

Make checks payable to the Northeast Ohio Chapter, Institute of Internal Auditors tax ID # 23-7405461.



### **Summer is closer than you think!!**

Announcing the **2011 NE Ohio IIA Chapter Membership (and Friends) Appreciation Golf Outing!** The outing will be held once again at Coppertop at Cherokee Hills in Valley City on Friday, June 3<sup>rd</sup>. We are currently starting to look for sponsors.

Various sponsorship levels are available at \$500 (Event Sponsor, limited to four), \$150 (Skills Sponsor, limited to six) and \$125 (Hole Sponsors). Sponsors will be recognized on the website and future newsletters upon receipt of payment. Please contact Dave Gordon @ 330-606-6445 or [dgordon@maxqualdata.com](mailto:dgordon@maxqualdata.com) for more information. We'll have more details available in next month's newsletter.



## **Chapter CAP Program**

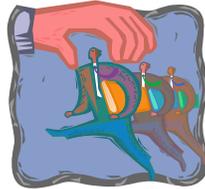
Recall that the CAP program is designed to recognize activities that promote the IIA's strategic objectives. This program is established on the premise that the primary mission of a chapter is to serve its members first and then the internal audit profession. Points can be earned in three categories: Service to Members, Service to Profession, and Chapter Administration.

<b><u>2010-2011</u></b>	
Total Service to Members (325):	687.66
Total Service to Profession (200):	129.03
Total Chapter Administration (160):	254.00
<b>Total CAP Points Earned:</b>	<b>1070.69</b>

Points may be gained by member participation in events such as meetings and seminars, published articles, speaking engagements, and chapter administration and activities. So, get involved and help the Northeast Ohio Chapter be the best we can be! If you have published articles relating to internal auditing or have participated in speaking engagements relating to internal auditing or the profession contact Dave Schmidt at [dave.schmidt@roadway.com](mailto:dave.schmidt@roadway.com). Your efforts in helping further the cause of our profession will help us achieve our platinum status.

## In Career Transition

The Board of Governors of the Northeast Ohio IIA Chapter has approved a chapter sponsored "In Career Transition" Group for our members. During these challenging economic times, jobs are not plentiful. Too many are looking for too few opportunities. And the search can be a stressful, lonely, and emotional roller coaster. Please contact Jay Simon at [jaymarksimon@gmail.com](mailto:jaymarksimon@gmail.com).



## Employment Opportunities

The chapter's Employment Committee serves as a clearinghouse for members seeking positions and organizations seeking personnel by reviewing resumes of applicants and attempting to match them with employer requirements. All inquiries are confidential. If you are looking for a position or are trying to fill a position contact, please forward the details to Dan Bross at [auditman42@yahoo.com](mailto:auditman42@yahoo.com) and Tom Kovach at [kovacht@firstenergycorp.com](mailto:kovacht@firstenergycorp.com).

<u>Current Job Postings</u>	
Company	Position
Aleris International	Senior IT Auditor
Dana Holding Corporation	Senior Internal Auditor
Dana Holding Corporation	Manager of Internal Audit
FirstMerit Bank	Auditor II
FirstMerit Bank	Auditor III
First Place Bank	Staff Auditor
First Place Bank	Senior Auditor
Medical Mutual of Ohio	Senior Auditor
PolyOne	Internal Auditor
Shiloh Industries	Part-Time Financial Analyst
STERIS	Internal Auditor
Sterling Jewelers Inc.	Corporate Financial Auditor
Sterling Jewelers Inc.	Corporate IT Auditor

Visit the News and Career Opportunities tab of the NEO IIA website for details and additional job postings at <http://www.theiia.org/chapters/index.cfm/view.news/cid/7>.



## New Members

When you see the following new members, please, welcome them to the Northeast Ohio Chapter - Institute of Internal Auditors!

<u>Name</u>	<u>Company</u>
Vikki Greene	First Place Bank
Andrea Koppa	Ohio Savings Bank
Nancy Kovalchick	
Kevin Moran	Ohio Savings Bank
Richard (Rick) O'Callaghan, Jr.	Grant Thornton LLP
Thomas (Tom) Rhodes	Ohio Savings Bank
Anil Samtani	Ohio Savings Bank
Kimberly Simpson	Key Bank
Erica White	Ohio Savings Bank



## General Reminders

### **CHECK YOUR IIA RECORD**

We want to stay in touch with YOU! Today is a great day to check the IIA's records about you, especially employer name and e-mail address. It takes only a few minutes to login to the IIA, verify the record, and update it.

**Don't know how to update your record?** Go to [www.theiia.org](http://www.theiia.org) and login on the red bar at the top of the home page. Press the "continue" button when offered. Select "*Update Your Profile*" on that red bar at the top of the page. Review the information and update as needed. Submit the changes using the button at the bottom of the page. If you have changed organizations, be sure to select "*Has any of your Organization information changed?*" near the bottom the page and enter your new company name, title, etc. You don't have to contact IIA customer service anymore!

### **CHAPTER LIBRARY**

Our chapter has a variety of reference materials available for members to use. These items can be borrowed for up to 2 weeks at a time. If you are interested in borrowing a publication from the Chapter's library, please e-mail Chris Boetto, at [Chris.Boetto@OMNOVA.com](mailto:Chris.Boetto@OMNOVA.com).

### **LET YOUR VOICE BE HEARD!**

Do you have any links, updates or industry news to share? Questions? Comments? Contact the NEO IIA Audit Voice Editor at [daniel.lakis@protiviti.com](mailto:daniel.lakis@protiviti.com) or [johanna.davison@protiviti.com](mailto:johanna.davison@protiviti.com).