



ABOUT OUR UPCOMING EVENTS

NOVEMBER 8, 2006

AUDIO CONFERENCE - THE NEW YELLOW BOOK AT KPMG OFFICES, 515 BROADWAY, ALBANY, NY

NOVEMBER 21, 2006

ANNUAL FRAUD SEMINAR AT THE HOLIDAY INN, WOLF ROAD, ALBANY, NY

DECEMBER 6, 2006

AUDIO CONFERENCE - PROCUREMENT CARDS AT KPMG OFFICES, 515 BROADWAY, ALBANY, NY

DECEMBER 13, 2006

HOLIDAY LUNCHEON AT THE WOLFERTS ROOST COUNTRY CLUB, VAN RENSSELAER BOULEVARD, ALBANY, NY

JANUARY 9, 2007

CERTIFICATION PANEL AT THE WOLFERTS ROOST COUNTRY CLUB, VAN RENSSELAER BOULEVARD, ALBANY, NY

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NO-SHOWS WILL BE BILLED THE FULL COST OF THE EVENT.



Mid-Size Firms Unite to Capture Big Four Business

AccountingWEB.com - A national network of 22 mid-size accounting firms is marketing itself as one company to draw business away from the Big Four.

The network is called Baker Tilly USA, and it opened for business recently, offering tax, audit and consulting services under one brand name, according to the Washington Post.

"We're coming at a time when the business market is crying out for alternatives to the Big Four, and we believe our structure can fill that void," Geoff Barnes, chief executive and president of Baker Tilly International, told the Post.

James Peters, chairman of the accounting department at the University of Maryland at College Park, said the industry has a "name-brand effect." Firms in alliances, such as Baker Tilly USA, "have a better chance of competing with the second-tier firms," which include RSM McGladrey Inc., Grant Thornton LLP and BDO Seidman LLP, he said.

In the post-Sarbanes Oxley (SOX) environment, the Big Four firms have been overwhelmed with work to help public companies comply with the stricter internal control requirements. Regional firms have found it difficult to break into the Big Four market, in part because some of the biggest clients require the international reach and specific industry knowledge offered by the Big Four — Deloitte & Touche LLP, Ernst & Young LLP, KPMG LLP and PricewaterhouseCoopers LLP.

Baker Tilly International is a worldwide consortium of 125 firms. Three other networks that represent mid-size regional firms — Moores Rowland North America, the Leading Edge Alliance and Moore Stephens North America — are also planning to market themselves as an alternative to the Big Four, the Post continued.

Marketing consultant Allan D. Koltin of PDI Global Inc., told the newspaper that those groups, with Baker Tilly, represent about two-thirds of the nation's top 100 accounting firms.

The new alliances "will become four very significant pillars that realize that, if they create depth and resources, they can have tremendous competitive advantage against all other firms in the marketplace," Koltin said.

CAPITAL IDEAS

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President's Message

from
Marcella Junco



The Fall season is in full swing and we have started out the AGA year strong. Our annual Kick-Off Breakfast was well attended and participants were encouraged "To Get Excited" by our National President, Jeff Hart. In early October, we held a session on the NYS Budget Initiative that had an audience of 60 people, most of whom were non-members—I hope to see an increase in membership soon. We also held two audio conferences and co-sponsored the Transforming State Government seminar, allowing the organizers to offer CPEs for participants. Finally, seven members and guests braved the elements on October 28th to participate in a Habitat for Humanity Project, assisting to finish a handicapped accessible home for occupancy by a family of four.

Speaking of volunteering....I was featured in a recent Times Union article (see page 18 of the newsletter). If you've ever had dealings with a newspaper reporter you'd know that they typically write what they want. While the reporter captured some of the essence of our organization, I was disappointed that she didn't highlight the efforts of the other dedicated volunteers in our organization. As I've said before, our chapter's success wouldn't be possible without the efforts of many people and our community service events wouldn't be so well attended and fun. I want to thank all our volunteers!

I would also like to congratulate one of our volunteers, Thalia Davis on her recent win. As part of AGA National's *Reach for the Stars* member-get-a-member (MGAM) campaign, Thalia won FREE national dues for next year for having sponsored six or more new members since May 1, 2006. Get your name added to this prestigious list by recruiting at least six new members by December 31, 2006! Remember, you can also win AGA Dollars for each new recruit after two.

Not to be outdone by the Fall season, we have an exciting Winter planned (while we know that Winter doesn't officially start until December 21, it really starts here in November). On November 21st, we will hold our co-sponsored annual Fraud Seminar, which will include a raffle to benefit the Regional Food Bank of Northeastern New York. Then on December 6, we are hosting the AGA National audio conference on Procurement Cards: Success and Challenges. On December 13, we hope to see you at our annual Holiday Luncheon featuring Judi Clements or our traditional Holiday community service event on December 21 when we will once again volunteer for a night at the Lights in the Park in Washington Park. We have added a networking event to the Holiday calendar this year. Please join us for Triple Espresso, a highly caffeinated comedy, at Capital Rep on December 29th. It's Holiday music, magic and mayhem for all ages! You'll have to wait until the next newsletter to hear about the events in January and February to round out the Winter.

Continued on page 7.

Forensic Document Examination

From the Naked Eye to DNA

by James D. Cooner, MBA, CFE, Aspen Consulting Group, Inc. and Harry Coleman, Criminalist II, Miami-Dade Police Department Crime Laboratory

This article was prepared for presentation at the Annual Fraud Conference of the Association of Certified Fraud Examiners, and was developed with the close cooperation of the Miami-Dade (Florida) Police Department Crime Laboratory. Mr. Cooner will speak on this topic at the Chapter's November 21, 2006 Annual Fraud Conference.

A Different Mind-Set

Fraud investigators are conditioned, by education and experience, to look at documents in a particular way. We look at the numbers, words, and notations on a document and try to fathom their meaning. We also try to figure out how they relate, if at all, to the case we are investigating. What we are looking for is the *intellectual content* of the document. We are also looking for *patent* evidence — evidence we can see.

In this article, we are going to examine other types of evidence. Not just the content within a document, but also the *physical evidence* found on the document. We will also be talking about several types of *latent* evidence — evidence we cannot see without some sort of technology.

The most basic principle of crime scene investigations is that perpetrators always take something from the scene with them and they always leave something behind. In a shooting, a bullet may yield ballistic evidence; other evidence may pinpoint the locations of the parties when the shots were fired, including the distance from the gun to the target; extractor marks on cartridges found at the scene may match a gun recovered later; fingerprints may developed; and DNA may be found and analyzed. The shooter also takes something with him: gunshot residue on his hands, microscopic fibers from the room on his clothes, an injury suffered in the struggle, etc.

Other crimes are no different. Crime does not have to be violent to generate significant physical evidence. We are going to examine several types of physical evidence which may be available on any document. We will begin with traditional document examination and go all the way up to DNA analysis.

What is a “Document?”

First of all, what is a “document?” We are all familiar with various accounting documents, financial instruments, and the like. Any kind of letter or note is obviously a document.

But what about “*Redrum*,” scrawled on a mirror with lipstick? Or barely visible marks written on the palm of a hand? Or a cattle brand? Are those documents?

Yes. A document is any *fixed* means of communication. The Ten Commandments chiseled on stone tablets would be a document, but Native American smoke signals would not.

Questioned Document Examination

Traditional forensic document analysis is more appropriately called “questioned document examination.” Questioned document examination evaluates authorship and authenticity. Document examination does not reveal age, sex, physical characteristics, personality traits, or other personal information about the writer. For those characteristics, consult a psychic hotline.

Real questioned document examination includes determination of whether or not a disputed signature was executed by a suspect, or whether or not a suspect wrote a particular document. In some cases, document examiners may be able to provide additional information, but authenticity and authorship are the main goals.

The examiner uses objective handwriting characteristic criteria, including all of the physical movements used to write, to evaluate written materials. These examinations involve not only visual evaluation, but also detailed and meticulous hand-glass and microscopic examination. The examiner also uses subjective methods, including the examiner’s training and experience to form an expert opinion as to the origin and authenticity of the document in question.

The questioned document is first analyzed internally, and then compared to other writings of known authorship and authenticity. These known documents are called *standards*.

When making comparisons, the examiner must do an “apples to apples” comparison. In other words: cursive writing to cursive writing, printing to printing, numbers to numbers, etc. In cases where exactly the same words and phrases are

not available in standards, a much greater volume of standards and much more analysis will be required to develop an accurate opinion.

In making comparisons, document examiners use two types of standards. In many cases, it is possible to obtain **non-requested standards**. Non-requested standards are items written during the normal course of events, rather than upon request from an investigator. These standards are very valuable because they were written in a non-stress environment, without any thought to their being used later. Therefore, non-requested standards are usually most typical of the subject's normal handwriting. The downside of non-requested standards is that they may not contain exactly the words and letter combinations the examiner is looking for, and therefore, the examination will require a greater volume of standards.

The other type of standard is **requested**. Requested standards are dictated by the investigator, and the subject is asked to write exactly the words requested. The benefit of these standards is that they give an exact "apples to apples" comparison. The downside is obviously that the subject may attempt to disguise his writing to foil the investigation. In fact, qualified examiners estimate that 80% of their subjects attempt to disguise requested standards. If that attempted disguise is detected, however, the fact that the subject attempted to mislead the investigators may be damning evidence of criminal intent.

Normally, document examiners will request at least 25 requested standards, or as much non-requested standard material as is available.

Submitting Documentary Evidence for Examination

Normal evidence impounding procedures must be followed to ensure the integrity of the evidence from the time of impoundment through introduction in court. It is critical to maintain the document in the same condition as it was discovered, if possible.

- Do not fold, cut, staple, or trim documents.
- Do not add notations to documents.
- Place all identifying marks on the packaging, not on the documents themselves, and retain all of the packaging to preserve the chain of custody.
- Document the chain of custody of the evidence completely and continuously.

Paper and ink documents, by their very nature, are fragile and susceptible to damage or deterioration. Therefore, the handling and packaging of documentary evidence can be critical.

If a document is dry, either plastic or paper bags/envelopes may be used to package the document. A dry document will not deteriorate significantly.

Wet documents, however, present special challenges. Paper is nothing more than pulverized wood and glue. Therefore, wet paper actually glues one page to another as it dries. Separating dried paper often destroys much of the evidence on the paper.

The best way to package wet paper is to seal it in an airtight plastic container/envelope, and submit it to the document examiner as soon as possible. Never attempt to dry a wet multi-page or folded document; you will just glue it to itself and destroy evidence. The examiner will have the necessary equipment to dry the document one page at a time without destroying evidence.

Occasionally, in an accident situation for example, you may encounter documents which are wet with blood or other body fluids, a scenario fraught with problems. There is an easy rule-of-thumb for evaluating evidence which may be stained with any kind of body fluids: "If it's wet, it's yucky!" Don't take foolish risks with this kind of evidence. Protective gloves must be worn when handling any evidence which might be contaminated with any kind of body fluids, especially blood.

A bloodstained document should be sealed in an airtight plastic container/bag and taken to the document examiner immediately. Blood is subject to microbial degradation which will quickly destroy evidence. In addition, blood contains a considerable amount of starch, which is a natural glue.

Almost any kind of forensic examination may damage a document. Therefore, regardless of what type of evidence is sought, all documents should go to a document examiner **first**. A well-trained document examiner will be able to conduct their examination without destroying other evidence on the document.

Forensic Document Examination is one of the topics we'll be discussing at the upcoming November Fraud Conference. But we'll go into much more detail then, including information on understanding the opinion reports of document examiners, how to select a well-qualified examiner, and sophisticated "Star Wars" technology, including actual case photographs to illustrate the techniques.

I look forward to seeing you there!

More From the Naked Eye to DNA

by James D. Cooner CFE and Harry Coleman

Documentary evidence is a critical component of virtually every fraud investigation. Fraud examiners are conditioned by our education and experience to look at the numbers, words, and notations on a document to try to fathom their meaning. We also try to figure out how they relate, if at all, to the case we are investigating. What we are looking for is the intellectual content of the document. We are also looking for patent evidence - evidence we can see with the naked eye.

Modern document examiners can detect alterations, erasures, and obliterations; resurrect evidence deteriorated by fading or decomposition; and recover entire documents, or portions of documents, from underlying pages, which were present when the original document was written. Document examiners use such equipment as the Video Spectral Comparator, Raman Spectral Comparator, and Electrostatic Detection Apparatus. When a subject makes an alteration on a document, a different pen is often used from the original writing. The Video Spectral Comparator uses filters to vary the light bombarding the document. Varying inks will fluoresce differently and reveal two writing samples made with two different pens at two different times. The Raman Spectral Comparator (RSC) is similar with two important differences. The RSC bombards the target with laser light instead of light waves. The RSC output is a graphical depiction of the exact chemical composition of the object targeted by the laser rather than a visual image. RSC analysis is applicable to inks, papers, and dyes. Electrostatic Detection Apparatus operates somewhat like a photocopier and is normally used to recover invisible indented writings.

There are two other important types of evidence that can be developed from

many documents: fingerprints and DNA. Though examiners have scrutinized both for years they now have "Stars Wars" methods to do the job.

Fingerprints can be patent, such as visible greasy or bloody handprints, or latent, such as invisible prints left behind by the natural oils on fingerprint ridges. Fingerprint dusting does not work on documents because paper absorbs skin oils. However, ninhydrin spray, a reddish chemical reagent, adheres beautifully to fingerprints on paper or anything else. Unfortunately, the chemical is toxic and messy, turns the paper purple, and obscures any writing. Obviously, document examination must precede fingerprint processing. Document examiners also employ polymer fuming using Superglue™. The examiner places the object in a container and drips a small amount of Superglue™ into the container and closes it. As the Superglue evaporates, the fumes adhere to the oils and leave a white image of the fingerprint.

Documents yield not only fingerprint evidence but, thanks to high-tech advances, a fraudster's deoxyribo nucleic acid (DNA) can be detected. DNA is the genetic key to our individuality. DNA matching has been used for decades to determine paternity. But in the United States, it was not until the late 1980s that law enforcement began using DNA evidence, and only for the most notorious cases because of the high cost.

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With improved technology, crime-scene contamination is a non-issue; it is now simple to differentiate DNAs. Forensic scientists once needed a quarter-size sample to attempt analysis. Now they can obtain and analyze invisible microscopic samples. They use Polymerase Chain Reaction (PCR) to replicate even a miniscule amount of DNA into sufficient quantities of evidence for complete testing. As a hypothetical example, assume some crackpot wanted to send an anthrax hoax letter to some organization he did not like. The two most obvious places to look for DNA would be the adhesive on the envelope and the stamp, which the suspect licked. Investigators could also look for dead skin cells ("slough cells") rubbed off on the letter.

Many States now are moving toward DNA sample collection in all felony cases, in addition to sexual offenses and violent offenses.

Knowing forensic document methods and technology will allow the professional to go far beyond the intellectual content and visible physical evidence found on a document. The well-trained CFE knows there is a lot more than meets the naked eye.

Advancing Government Accountability

Surf over to the New York

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<http://www.aganycap.org>



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Certification and License Exam Fee Reimbursement

by Amanda Zibella, Chapter Vice
President for Certification



If you haven't taken any of the three exams for the CGFM and you are a state employee with either Public Employee Federation (PEF) or Management/Confidential (M/C), this is your lucky year. Both of these groups are offering a pilot program to reimburse certification and licensure examination fees based on certain guidelines. Below is a brief summary for both programs. Please refer to each site for specific details and the application form. Note - this great opportunity will end March 31, 2007, so don't miss out.

Program Guidelines:

- At the time of registration for the exam, and upon successful completion of the exam, the candidate must be either a NYS employee or a Roswell Park employee with certain eligibility requirements.
- The exam must be job-related or career-related or both.
- The exam must result in certification or licensure for an occupation that currently exists in NYS service.
- The exam must be administered by an accredited body.
- The exam must be held prior to March 31, 2007.
- The exam must be scored with a passing grade and must accompany the application for reimbursement on or before March 31, 2007.
- Eligible full-time employees or part-time employees must refer to websites for amounts and reimbursement eligibility.

Please visit the following links for additional details.

- <http://www.goer.state.ny.us/train/pst/CertLicenseExamFee>
- <http://www.goer.state.ny.us/mc/fee-reimb>

Also, mark down on your calendars, January 30, 2007. Our chapter will be offering *Course One: Government Environment* instructed by Virginia Robinson from AGA National. This course will help you prepare for exam number one towards your GFM certification. It will be held at Woolfert's Roost from 8:30 am to 4:30 pm with breakfast, lunch and materials included. If you have any questions, please call me at 474-6032 ore-mail me at azibella@osc.state.ny.us.

COSO Begins Internal Controls Project

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) issued a request for proposals (RFP) to develop guidance designed to help organizations monitor the quality of their internal control systems. COSO said the end product will serve as a tool for effectively monitoring internal controls, as well as complying with Sarbanes-Oxley.

According to COSO Chairman Larry Rittenberg, the development of the project will be on a one-year start-to-

finish timeline to meet the need for examples, guidance, and more information regarding the monitoring component of COSO's Internal Control — Integrated Framework (IC Framework).

"There is a tremendous gap between the value good monitoring brings to a system of internal control and management's understanding of that value," said Rittenberg. "Not only does monitoring equip management with evidence of quality internal controls (or the lack thereof), but also it lays the

groundwork for addressing SOX Section 404(a)."

Rittenberg said monitoring is a vitally important component of the IC Framework. He and the COSO board have high hopes that the project, scheduled for completion by the end of 2007, will stimulate management's awareness and utilization of effective monitoring; and consequently, will bring about stronger internal controls.

The deadline for receipt of "notice of intent to respond" is Nov. 1. For more information: <http://www.coso.org/>

Earning a Certified Government Financial Manager (CGFM) Designation – A Step-By-Step Guide.

by Katya Silver, AGA Director of Professional Certification Administration

Interested in the CGFM designation? Want to know where to start or what happens next?

Here is a step-by-step guide on how you can earn the CGFM designation:

Step 1 - Applying for the CGFM Program.

Submit an application form for the CGFM Program via internet, fax or mail, including the application fee of \$85. Fax or mail a copy of your transcript from an accredited college or university. The transcript must show that a degree (bachelor's or higher) was awarded and must list at least 24 credit hours of courses in financial management or related topics. Your name and the name of the college or university must appear on all transcripts.

Step 2 - Eligibility Letter.

Once your application, payment and degree documentation are received and processed, the Office of Professional Certification will mail you an Eligibility Letter with instructions on how to purchase your CGFM Examinations. Your eligibility for taking the CGFM Examinations expires in three years from the date your CGFM application was processed.

Step 3 - Work Verification. Submit a Verification of Government

Financial Management Work Experience form as soon as you have at least two years of professional-level experience in the government financial management field. You do not have to submit this form before taking the examinations, but the experience requirement must be met before the designation can be granted.

Step 4 - Studying for Examinations.

You have several options, including classroom courses, study guides and a reading resources list. You may also want to contact a local AGA chapter to find out if there are any study groups or other support available to help you prepare for the examinations.

Step 5 - Examination Purchase.

Following the instructions on your Eligibility Letter, purchase CGFM Examination(s) through the AGA website and print the Test Authorization Letter. Examination fees are \$109 for each of the three examinations.

Step 6 - Taking the Examinations.

Follow the instructions on the Test Authorization Letter to schedule a testing appointment at a Prometric Test Center near you. Show up at the testing center on your appointment date (be sure to read and follow the testing procedures described on the Test Authorization Letter).

Step 7 - Score Reporting and Retakes.

After you complete an examination at a Prometric Test Center, you will immediately receive a pass/fail score on the computer. Numerical scores are not provided. If you did not pass your exam, there is a 30-day waiting period before you can repurchase and retake that examination. If you fail the same exam more than once, the waiting period is 90 days.

Step 8 - Award Letter.

Once you pass all three CGFM Examinations, and your Verification of Government Financial Management Work Experience form has been submitted and accepted, the Office of Professional Certification will send you an award letter announcing your new CGFM designation. You can start using the "CGFM" after your name only after you receive the official award letter from AGA.

Step 9 - CGFM Certificate.

A CGFM certificate will be mailed within a few weeks of issuing the award letter.

An excellent source of additional information on the CGFM Program is the AGA website (www.agacgfm.org, select "CGFM Certification" on the navigational bar). If you have any questions, please feel free to contact the Office of Professional Certification at 1.800.AGA.7211, ext. 306 or 305.

President's Message

Continued from page 2.

In addition, we have another opportunity for you to get involved. Our chapter was started October 2, 1977. That means it is time to celebrate next October! Plans are being made for our 30th Anniversary party. Please contact me if you would like to participate on the committee to plan the event for next Fall.

Finally, I'd like to welcome back one of our truly dedicated volunteers, Roger Mazula, Vice President of Communications and perennial AGA newsletter award recipient. Not that he ever really left us, but Roger is on the mend, recovering from successful triple bypass surgery. Just two weeks after surgery, hardworking and energetic Roger started putting this newsletter together. You can't keep a great AGA volunteer down!

We hope to see you at an event soon. Please check your inbox for our email announcements and check our web page (www.aganycap.org www.aganycap.org) often for updated information.

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AGA New York Capital Chapter 2006-2007 Program Events Summary

September 14, 2006	CPE: 2	<i>AGA Audio Conference - Risk Assessments for Performance Auditing</i> KPMG LLP Offices 2:00 PM – 4:00 PM \$10 for AGA; \$20 for Others
September 19, 2006	CPE: 0	<i>Kick-Off Breakfast - What's Happening in 2006-07?</i> Wolfert's Roost Country Club 8:00 AM – 9:30 AM (full hot breakfast) \$5 for AGA; Free for New Members
September 26, 2006	CPE: 2	<i>Transforming State Government</i> State Museum Theater 1:00 PM – 3:00 PM Free but must pre-register; Registration through ASPA Required
October 11, 2006	CPE: 3	<i>Panel Discussion - NY State Strategic Budget Initiative</i> Empire State Plaza Meeting Room 5 1:30 PM – 4:30 PM \$25 for AGA; \$40 for Others (\$25 for others if agency registers five or more people)
October 19, 2006	CPE: 2	<i>NASACT Audio Conference - SAS 112: Impact on Auditors</i> KPMG LLP Offices 2:00 PM – 4:00 PM \$10 for AGA; \$20 for Others
November 8, 2006	CPE: 2	<i>AGA Audio Conference - The New Yellow Book</i> KPMG LLP Offices 2:00 PM – 4:00 PM \$10 for AGA; \$20 for Others
November 21, 2006	CPE: 8	<i>Annual Fraud Seminar</i> Holiday Inn Turf 8:30 AM – 4:30 PM (includes lunch) \$125 for AGA, ACFE, and IIA; \$225 for Others (Save \$25 for prepayment)
December 6, 2006	CPE: 2	<i>AGA Audio Conference - Procurement Cards</i> KPMG LLP Offices 2:00 PM – 4:00 PM \$10 for AGA; \$20 for Others
December 13, 2006	CPE: 0	<i>Holiday Luncheon</i> Wolfert's Roost Country Club 12:00 PM – 2:00 PM \$10 for AGA, ACFE, IIA and ISACA; \$20 for Others
January 9, 2007	CPE: 0	<i>Spring Certification Panel</i> Wolfert's Roost Country Club 8:30 AM – 10:00 AM Free but must pre-register.
January 24, 2007	CPE: 8	<i>7th Annual Technology Seminar</i> Century House 8:15 AM – 4:15 PM \$75 for AGA, IIA and ISACA; \$125 for Others (Save \$25 for prepayment)
January 30, 2007	CPE: 8	<i>Government Financial Management Course 1</i> Wolfert's Roost Country Club 8:30 AM – 4:30 PM \$195 for AGA; \$225 for Others
February 28, 2007	CPE: 2	<i>AGA Audio Conference - Internal Controls</i> KPMG LLP Offices 2:00 PM – 4:00 PM \$10 for AGA; \$20 for Others
March 12 - 14, 2007	CPE: 21	<i>The Conference That Counts 2007</i> Holiday Inn Turf (Separate Brochure and Registration)
March 28, 2007	CPE: 2	<i>AGA Audio Conference - Procurement Fraud</i> KPMG LLP Offices 2:00 PM – 4:00 PM \$10 for AGA; \$20 for Others
April 24, 2007	CPE: 3	<i>Model Governance Practices</i> State Museum Theater 1:30 PM – 4:30 PM \$40 for AGA; \$50 for Others (Save \$15 for prepayment)
May 9, 2007	CPE: 2	<i>AGA Audio Conference - Ethics</i> KPMG LLP Offices 2:00 PM – 4:00 PM \$10 for AGA; \$20 for Others
June 6, 2007	CPE: 0	<i>Annual Awards Celebration Luncheon</i> Wolfert's Roost Country Club 12:00 PM – 2:00 PM \$10 for AGA; \$20 for Others

Registration: Online or Karen Lydon 286-2622 x100 or registrar@aganycap.org

2005 Profitable Year for Whistleblowers

by Evelyn Pringlem (mediamonitors.com)

“The Fraud Section is responsible for handling nationwide complex health care fraud litigation and also supports the USAOs with legal and investigative guidance and, in some cases, provides trial attorneys to prosecute criminal fraud cases.”

The year 2005 was a very good year for Whistleblowers. According to a report by the Department of Health and Human Services, a grand total of \$136,756,946 was awarded to Whistleblowers who filed qui tam lawsuits on behalf of the Federal government under the False Claims Act. By contrast, in 2004 Whistleblowers were awarded \$82,867,287.

The Health Insurance Portability and Accountability Act of 1996 established a national Health Care Fraud and Abuse Control Program, under the direction of the Attorney General and the Secretary of the Department of Health and Human Services, acting through the HHS Inspector General, to coordinate federal, state and local law enforcement activities with regard to public and private health care fraud and abuse.

The Act requires that recoveries from health care investigations, including criminal fines, forfeitures, civil settlements and judgments, and administrative penalties, but excluding restitution, compensation to the victim agency, and Whistleblower's shares, be deposited in the Medicare Trust Fund.

The Act appropriates monies from the Trust Fund to an expenditure account, called the Health Care Fraud and Abuse Control Account, in amounts that the Secretary and Attorney General certify as necessary to finance anti-fraud activities. The maximum amounts available are specified in the Act. Certain of these sums are to be used only for activities of the HHS/OIG, with respect to Medicare and Medicaid programs. In FY 2005, the Secretary and the Attorney General certified \$240.558 million for the Account.

During FY 2005, the Federal government took in approximately \$1.47 billion in judgments and settlements, and attained additional administrative impositions in health care fraud cases. In comparison, during 2004, the government won or negotiated less than half that amount at approximately \$605 million, in judgments and settlements. Since the inception of the program in 1997, the HCFAC has returned over \$8.85 billion to the Medicare Trust Fund.

In FY 2005, the US Attorney's Offices (USAOs) were allocated \$30.4 million to support civil and criminal health care fraud and abuse litigation. The 93 US Attorneys and their assistants, are the principal prosecutors of federal crimes, including those committed by health care providers.

In FY 2005, the Criminal Division was allocated \$1.58 million to support criminal health care fraud litigation. The Fraud Section of the Criminal Division develops and implements white collar crime policy and provides support for the federal white collar enforcement community, which includes the Division's health care fraud and abuse responsibilities.

In FY 2005, US Attorneys' Offices opened 935 new criminal health care fraud investigations involving 1,597 potential defendants. Federal prosecutors had 1,689 criminal investigations pending, involving 2,670 potential defendants, and filed criminal charges in 382 cases involving 652 defendants. A total of 523 defendants were convicted for health care fraud related crimes during the year.

If successful, the government can recover treble damages and \$5,500 to \$11,000 for each false claim filed and the Whistleblower who initiated the action can receive between 15% to 25% of the amount recovered.

Brain Aerobics

To answer these questions below, exercise your critical thinking skills. What's the key word that may help you determine the answer? Is there a trick in the questions?

- You are competing in a linear race and overtake the runner in second place. In which position are you now?
 - first
 - second
 - third
 - fourth
 - cannot be determined
- Suppose you have 40 blue socks and 40 brown socks in a drawer. If you reach into the drawer without looking at the socks, what is the smallest number of socks you must take out to make sure that you have a pair of socks of the same color?
 - 2
 - 3
 - 4
 - 40
 - 41
- A doctor's son's father was not a doctor. How is this possible?

Answers:

1. Pay attention to exact wording. When you overtake a runner in second place – do you become first? No you are now in second place. The answer is (b).
 2. Key words are “smallest number” so you start with the lowest number. If you take out 1 sock, you don't have a pair. If you take out another sock and it's a different color, you need to try again. The third sock will match one of the other two. The answer is (b).
 3. Watch for the words that show gender prejudice. Professionals are not only men. If the doctor was a woman, the statement would be possible.



AGA's 2006-07 Member-Get-A-Member Campaign (MGAM) *Reach for the Stars*

Reach for the Rising Stars and You Could Be a Star in Nashville!

That's right, recruit new members into AGA this program year and you could win a free trip (round-trip airfare and registration) to AGA's 2007 Professional Development Conference & Exposition in Nashville, Tennessee - June 24-27!

This year we are focusing on recruiting the rising stars - we call them early career and tomorrow's professionals - individuals just starting out in their careers, with less than 3 years of experience. Finding and developing AGA leaders of tomorrow is so very important to AGA's future as well as to the future of our profession! Now is the time to reach out to these 'up and comers' - maybe even think about becoming a mentor!

We invite each AGA member to recruit at least one new member in this year's MGAM. Our goal is to continue the positive net growth in membership that we experienced this past year. And, EVERY member who sponsors new members is eligible for prizes and recognition in the Reach for the Stars campaign.

Why you? We have found that the majority of new members join AGA because a colleague recommended AGA membership to them. You probably do this frequently, maybe without even realizing you are officially "recruiting." Just be sure to have handy an AGA membership application or know the AGA website address (www.agacgfm.org). And don't forget to include your name in the 'sponsor' line on the membership application to receive credit!

Every time a new member joins AGA, we are made stronger. More members mean more visibility in the corridors of power and more opportunities for advancement through networking and exchanging best practices. Show off your enthusiasm with firsthand accounts of how your AGA membership has been a great investment in your professional development and career! **And please remember to make an extra effort to reach out to the rising stars!**

Prizes!!

- Recruit **1** or more members, receive a Sponsors Only lapel pin and get recognized in Topics and on the AGA website
- Recruit **2** members and start earning AGA Dollars. You'll earn 5 AGA Dollars for each new member that joins. Recruit 2 members, earn 10 AGA Dollars, recruit 4 members, earn 20 AGA Dollars and so on. AGA Dollars are like cash and can be redeemed towards publications, membership dues renewals and national conference registrations.
- Recruit **6** members by December 31, 2006 and receive your next year's membership dues renewal **FREE**.
- Recruit **10** or more members by March 31, 2007 and get placed into a fishbowl drawing for a **FREE trip** (round-trip airfare and registration to AGA's 2007 Professional Development Conference in Nashville, Tennessee). Recruit 10 members, get one chance at the drawing, recruit 16 members, get seven chances and so on. The more members recruited, the more chances to win.

Membership Roster New Chapter Members

We wish to welcome the following new members to the New York Capital AGA Chapter:

Julie Burgess
Lynn F. Humiston
Kristina Cartensen
Krista Leslie
Lisa Cutten
Paula Messac
Rory Costello
Kathleen McClary
Michael Demarco
Brian Murphy
Arimey Downey
Shawn Noel
Jonathan Golden
Danielle Rancy
Richard Harding
Karla Schumaker
Jacqueline Keays-Holston
Melissa Yahoudy

Membership as of October 20, 2006 - 376 members
(18 new members)

November Chapter Event Annual Fraud Seminar

DATE: Tuesday, November 21, 2006
TOPIC: Annual Fraud Seminar
FORMAT: Group Live
SPEAKER: James Cooner
LOCATION: The Holiday Inn, Wolf Road, Albany, NY
TIME: 7:30 - 8:00 A.M. - Registration
 8:00 - 4:30 P.M. - Seminar
 Includes Continental Breakfast & Lunch
CPE's: 8 Hours
COST: \$125 for ACFE/AGA/IIA Members
 \$225 for Others
 Save \$25 if prepayment is received by the AGA by November 7, 2006
LUNCH CHOICES: London Broil with Wild Mushroom Sauce
 Chicken Parmesan
 Grilled Vegetable Napoleon

GUEST SPEAKER:

Mr. James D. Cooner served more than 23 years with the Miami-Dade Police Department in Miami - the largest police agency in the Southeastern United States. He held numerous assignments leading highly specialized tactical, training, and investigative units. For the last seven years of his career, he commanded the department's elite Economic Crimes Section, comprised of more than 50 investigative and support personnel, which was responsible for all financial crime investigations for the department. Jim currently serves as President of Aspen Consulting Group, Inc. of Miami, Florida, a unique firm dedicated to presenting the finest in professional fraud prevention and detection training. Jim holds bachelors and MBA degrees, and has taught extensively at both undergraduate and graduate level, including eight years as an Adjunct Instructor in general management subjects at Barry University. Jim is a Certified Fraud Examiner and served the Association of Certified Fraud Examiners (ACFE) as chairman of the Continuing Education Committee for six years, and as Director of the South Florida Chapter of ACFE for three years. Jim has taught fraud investigations seminars and training courses throughout the United States and Canada for both public and private sector audiences, including four years as a member of the prestigious ACFE Adjunct Faculty. He has presented at numerous major international fraud conferences including the AICPA Advanced Fraud and Litigation Services Conference, ACFE Annual Conferences and, as well as for a variety of prestigious universities and professional organizations.

DESCRIPTION:

We are proud to once again offer our Annual Fraud Seminar. This time-tested program has proven to be our most popular seminar of the year and this one is a "must see" program for auditors and investigators alike. The local chapters of the ACFE, AGA, and IIA are thrilled to welcome James Cooner, MBA, CFE to educate our members and other participants on the finer points of forensic auditing.

Mr. Cooner will provide a variety of information designed to educate internal auditors and investigators on how to effectively deal with fraud, including understanding:

- Workplace cultural and psychological factors which effect internal investigations;
- External threats to organizations, including billing schemes, bustouts, advanced fee loan/lease schemes;
- Bribery, corruption, conflicts of interest, bid-rigging, economic extortion, and desktop counterfeiting;
- Traditional document examination to determine authorship and authenticity, and "Star Wars" technology which can reveal much more about documentary evidence; and
- Essential strategies and systems to deter and detect fraud in organizations.

The Annual Fraud Conference sells out every year, so register early!

AGA Reinigorates Academy for Government Accountability

Many longtime AGA members will remember AGA's Education and Research Foundation. Incorporated in 1979, the foundation was established "to contribute to the improvement of education in the field of federal, state and local government accounting, auditing, budgeting and financial management." The foundation provided educational events, scholarship awards and small research projects in the mid-1990s. In 1999 the foundation informally changed its name to the Academy for Government Accountability to oversee AGA's education and research programs.

Newfound interest in the Academy bloomed again last year. A presentation at the September 2005 National Executive Committee (NEC) meeting was made by AGA National President Sam McCall, CGFM, Sridhar Ramamoorti, Ph.D., a member of AGA's Chicago Chapter, and AGA Executive Director Relmond Van Daniker, DBA, CPA. They introduced a revised mission statement that more accurately reflects the future of the Academy. The NEC approved the revised mission: to forge relationships among government, business and academia to support research and education initiatives and advance thought leadership in bringing transparency and accountability in government financial management. The NEC also appointed Ramamoorti to chair the Academy's Board of Trustees for one year.

A task force, chaired by Wendy Comes, CGFM, executive director of the Federal Accounting Standards Advisory Board (FASAB) was also established to review Academy progress. Ramamoorti, a partner with Grant Thornton, has developed Academy bylaws, which will be reviewed by the task force with final approval by the NEC in February. The affairs of the Academy are to be managed by a Board of Trustees. One trustee will be appointed by, and will act as a representative of, the NEC. The AGA executive director and legal counsel will also participate as ex-officio, non-voting members of the Board of Trustees. Individuals are invited to participate on the Board of Trustees with final approval by the NEC. Stay tuned for more information on the Academy in TOPICS and on the AGA website. Staff liaison to the Academy will be AGA Director of Education Eveanna Barry. For more information about the Academy, please contact her at ebarry@agacfm.org.

Upcoming Chapter Community Service Events

Come and participate in the Chapter's upcoming Community Service events. Not only is it a good thing to give back to the community, but it is also FUN!

November, 2006

Raffle to Benefit Regional Food Bank of Northeastern New York at Fraud Conference – Tuesday, November 21, 2006.



Since 1982 the Regional Food Bank of Northeastern NY is helping to feed the poor and hungry in our communities. It is the only organization of its kind in northeastern New York.

December, 2006

AGA "Lights in the Park" Event

When: Thursday, December 21, 2006



Where: Albany Washington Park, parking for volunteers available at the Madison Ave. entrance of the park. Volunteers are to meet at the Lake House.



Time: 5:30 p.m. - 8 or 9 (no set schedule)

Please join us in bringing the holiday spirit to visitors of Holiday Lights in the Park. Volunteers are needed to greet and direct visitors through the craft show inside the Lake House, assist with Santa photos, and direct parking. Afterwards, AGA volunteers are meeting at the Fountain Restaurant, 283 New Scotland Ave. If interested in volunteering, please contact Ann Marsh asomarsh@mail.nysed.gov or 473-2020.

Thank you!

**Association of
Government Accountants
New York Capital Chapter
Chapter Executive
Committee
August 9, 2006 Meeting
Highlights**

In Attendance: Marcella Junco, Brian Gee, Mike Abbott, Raymond Harris, Emily Kunchala, Ann Marsh, Roger Mazula, James Nellegar, Suzanne Trzcinski, Amanda Zibella, Jim Cox, Jill Flinton, Matt Lindemann, Kirk Schanzenbach, Linda Zinzow

Action Items:

1. Update bylaws on the website. Jim Nellegar.
2. Look up the cost of the last two newsletters from the prior year. Brian Gee.
3. Provide schedule for Communications to Marcella. Roger Mazula.
4. Send Marcella new Community Service Plan. Ann Marsh.
5. If raffles are for co-events we need to coordinate with other presidents. Marcella Junco.
6. Draft solicitation letter for sponsors for events. Marcella Junco.
7. Find out what other chapters are doing for scholarships. Ray Harris.
8. Determine the number of t-shirts that we will need for community service. Ann Marsh.
9. Work with Ray on Audio Conference brochures. Emily Kunchala.
10. Work together on registration database with Karen to determine process for phone registration. Jim Nellegar and Suzanne Trzcinski.
11. Provide Marcella with education budget by program. Mike Abbott.
12. Review membership and sponsorship brochures and provide Ray comments. All members.
13. Review communication clearing house policy and provide Ray comments. All members.
14. Establish Audit Committee Operating Plan and Separate Budget. Jill Flinton
15. Obtain Policy for National Conference. Marcella Junco.
16. Operating Plans due Friday. All Committees.
17. Send Operating Plans to the Board. Marcella Junco.
18. Establish Socialization Committee and 30th Anniversary Plan. Marcella Junco.
19. Provide Business Cards to all Board Members. Marcella Junco and Roger Mazula.

Other Meeting Notes:

Roberts Rules Review – As we discuss policy in our meetings this is the process to follow. (i.e., make motion, 2nd, discuss, pass)

Operating Plans – Operating plans were distributed and discussed resulting in the action items above.

**Association of
Government Accountants
New York Capital Chapter
Officers Meeting
September 19, 2006
Meeting Highlights**

In Attendance: Marcella Junco, Brian Gee, Mike Abbott, Thalia Davis, Raymond Harris, Emily Kunchala, Ann Marsh, Suzanne Trzcinski, Jill Flinton, Randall Griffin, Dwight Hadley, Matt Lindemann, Will Reynolds, Kirk Schanzenbach, Linda Zinzow, Jeff Hart, David Gotlib.

Action Items:

1. Review performance measures included in the operating plans and make sure that they are “measurable.” All Committee Chairs.
2. E-mail out the electronic Audit Opinion and Operating Plans. Marcella Junco.
3. E-mail changes to the budget to M. Junco or the Budget and Finance Committee. Entire CEC.
4. Send out a listing of the suspended members. Thalia Davis.
5. Contact OSC Division of Local Government Services and fix past membership issue. K. Schanzenbach.
6. Discuss MOU with TCTC Committee. Linda Zinzow.
7. Discuss 15 year service awards with the Awards Committee. Marcella Junco.

Other Meeting Notes:

Welcome – M. Junco welcomed our two guests to the meeting, Jeff Hart and David Gotlib.

Operating Plans – There were no major changes to the operating plans distributed except for the addition of the Audit Committee Plan.

Budget – K. Schanzenbach's comments are not yet reflected in the copy of the budget that was distributed (i.e., credit card transaction fees are low). The President and the Budget and Finance committee will need to work together to adjust the budget so that the Chapter is not projecting a loss. The BFC will provide CEC with a proposed budget in 3 weeks for an e-vote before the next CEC meeting.

Members – There are currently 109 members on the suspended member listing. K. Schanzenbach is working with OSC Division of Local Government to straighten out local memberships. There are some issues regarding the timing of their membership and their attendance at TCTC. T. Davis has applied for the AGA National Scholarship. T. Davis is also going to work with college students to cultivate more student memberships and interest in AGA.

TCTC – There was discussion around starting a reserve with the other organizations for potential unforeseen circumstances that would cause reduced attendance at the TCTC. The initial idea was to withhold \$1000 each year from each organization and put it in a CD. There was further discussion around several items relating to this topic:

- Lack of a TCTC Charter
- AGA already has a reserve of \$20K that would include this circumstance
- Would AGA be responsible for other organizations debts if something were to happen
- The amount of the Portion from AGA – possibility of including all excess over \$10K for up to \$1K each year up to \$12K total

It was decided that L. Zinzow would go back to the TCTC Committee and discuss creating a Memorandum of Understanding (MOU) and further discuss the reserve.

Audit – J. Flinton presented the clean audit report and internal controls opinion for the prior year. Management issues will be available shortly. B. Gee and J. Flinton do not expect any repeat findings from last year or any significant issues. There was discussion around having a review or an audit done in the future. It was decided that as long as audit fees remain low (less than \$1,000) that it is logical to have an audit performed. If audit fees increase significantly, the CEC will revisit this issue.

Longevity Awards – There was discussion around presenting awards for 15 years of service in addition to the awards presented at the awards luncheon. One issue that was raised was that all members receiving awards attend the luncheon for free and this may decrease revenue from this event. It was decided that M. Junco would discuss the 15 years of service award with the Awards Committee.

Open Discussion – There was open discussion with J. Hart and D. Gotlib regarding the NY Capital Chapter. J. Hart also mentioned that the Early Careers Task Force on the National Level is looking for members. Another recommendation was to have longer breaks at conferences to encourage networking. J. Hart and D. Gotlib encouraged the Chapter to create best practices and post them to the AGA National website.

Accountant Pleads Guilty in Billion-Dollar Viaticals Scheme

by Vanessa Blum
(sun-sentinel.com)

MIAMI — The former president of a Fort Lauderdale viaticals firm accused of bilking investors out of nearly \$1 billion pleaded guilty Monday afternoon to securities fraud.

Accountant Peter Lombardi, 56, who ran Mutual Benefits Corp. with brothers Joel and Leslie Steinger, was charged Oct. 17 in the first criminal case to result from a lengthy government investigation. Lombardi entered his plea before U.S. District Judge Paul Huck in Miami federal court.

The company, which was shut down in 2004, purchased life insurance policies from terminally ill and elderly people for less than face value and sold shares of the anticipated payouts to investors around the world. Such deals are known as viaticals and life settlement contracts.

Last year, the three men agreed to pay \$25 million to settle a civil fraud suit brought by the U.S. Securities and Exchange Commission. The agency alleged Mutual Benefits deceived nearly 30,000 investors by using false projections of how long the insured people would live.

Lead prosecutor Andrew Levi said the Mutual Benefits fraud amounted to a massive Ponzi scheme, in which investors were unknowingly recruited to pay the premiums on old insurance policies.

He said company executives also misappropriated investors' money to fund extravagant lifestyles.

"In some cases the economic affect of these losses has been financial devastation to investors," Levi said.

According to court documents, Lombardi served as nominal head of the business to hide the criminal backgrounds of others involved in the company.

He faces a maximum penalty of 20 years in prison and fines of up to \$5 million. He could also be ordered to pay nearly \$1 billion in restitution.

Prosecutors allege Lombardi took part in a scheme to defraud investors by telling them the firm had a strong track record of accurately predicting life expectancies.

He also led investors to believe wrongly that their investment had a level of risk similar to a certificate of deposit, or CD, prosecutors said.

According to the government, only 5 percent of the insurance policies held by the company matured within the predicted period and 80 percent failed to mature at all because there was not enough money to keep paying the premiums.

Levi said Lombardi is cooperating with investigators.

Mutual Benefits encouraged investors to buy partial stakes in life insurance policies from willing sellers, generally people with AIDS who needed money. The benefits from the policies would be paid out to investors after the person's death.

Prospective investors got an estimate of how long the policyholder was expected to live. Buying a policy of a person estimated to live three years brought a promised 42 percent return.

But many life expectancy estimates turned out to be too low, tying up investors' money far longer than they had been promised.

The SEC sued Lombardi and the Steingers after a raid on the company's Fort Lauderdale offices in 2004 and

alleged the firm manipulated its predicted life expectancies.

Mutual Benefits executives claimed the estimates were wrong because new drugs enabled AIDS patients to live longer.

To resolve the suit, Lombardi agreed to pay \$6 million and Joel and Leslie Steinger each agreed to repay about \$9.5 million.

The Steingers' brother, Steven Steiner, settled with the SEC earlier this year and agreed to pay roughly \$4 million. Steiner, who changed his name, served as vice president of Mutual Benefits and headed Broward County's largest AIDS agency until last year.

The settlements did not include any admission or denial of wrongdoing.

Alise Johnson, an SEC attorney, said Lombardi has finished making payment, and the funds have been forwarded to a court-appointed receiver in charge of running Mutual Benefits. Leslie Steinger has paid about half of his judgment, with the balance due by Dec. 5, Johnson said.

Joel Steinger has also paid about half of his settlement. The balance is in jeopardy because Steinger's assets were frozen by a Minnesota court overseeing his divorce, Johnson said.

To date, none of that money has reached investors, said Curtis Miner, an attorney in the receiver's office.

"All of the money from the settlements and other asset recoveries is in a pool that will be distributed to investors all at once," Miner said.

In addition to the SEC settlements, the money set aside for investors includes \$10 million from a separate settlement with Mutual Benefit's former legal counsel, the Fort Lauderdale law firm Brinkley, McNerney and partner Michael J. McNerney.

GASB Issues Statement to Clarify Guidance on Accounting for Sales and Pledges of Receivables and Future Revenues

The Governmental Accounting Standards Board (GASB) has issued Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues. This Statement establishes criteria that governments will use to ascertain whether certain transactions should be regarded as a sale or a collateralized borrowing. Such transactions are likely to comprise the sale of delinquent taxes, certain mortgages, student loans, or future revenues such as those arising from tobacco settlement agreements.

This Statement also includes a provision that stipulates that governments should not revalue assets that are transferred between financial reporting entity components.

Guidance for reporting the effects of such transactions in governmental financial statements have been provided in several standards or, in certain cases, has not been authoritatively addressed. This has resulted in considerable diversity in practice in the manner that such transactions have been reported.

In addition to clarifying guidance on accounting for sales and pledges of receivables and future revenues, the Statement:

- Requires enhanced disclosures pertaining to future revenues that have been pledged or sold
- Provides guidance on sales of receivables and future revenues within the same financial reporting entity
- Provides guidance on recognizing other assets and liabilities arising from the sale of specific receivables or future revenues.

“Statement 48 is intended to clarify accounting by establishing clear criteria for determining whether proceeds received from a given transaction should be reported as revenue or a liability,” said Robert H. Attmore, Chairman of the Governmental Accounting Standards Board. “Moreover, the standard’s enhanced disclosure requirements will improve the usefulness of financial reporting by enabling the public to become better informed about the status of future revenues that may have been pledged or sold.”

According to Chairman Attmore, GASB’s open deliberations in this project benefited from the thoughtful comments and suggestions of individuals and constituent organizations in response to the Exposure Draft of the proposed standards.

In response to that feedback, the final standard contains several modifications from the Exposure Draft, including the following:

- Statement 48 supersedes guidance regarding future revenue sales provided in Technical Bulletin 2004-1, Tobacco Settlement Recognition and Financial Reporting Entity Issues. However, in response to concerns expressed by several respondents to the 2005 exposure draft, the Statement transition provisions were modified to allow for prospective, rather than retroactive, application of the requirements that pertain to sales of future revenues.
- The criteria for distinguishing a borrowing transaction from a sale transaction were clarified for both receivables and future revenues.

- The definition of active involvement was sharpened. Active involvement is a key consideration in determining whether a transaction transferring the right to a future revenue stream could qualify as a sale.
- The detailed accounting and reporting guidance proposed in the Exposure Draft was expanded and enhanced, especially for governmental funds.
- The requirements for disclosures about pledged revenues were clarified and an exemption from those disclosure requirements was granted for legally separate entities that report as stand-alone business-type activities whose operations are financed primarily by a single major revenue source.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2006.

Important Announcement

As you may know, the Chapter has been sending email announcements to keep our members informed.

It has come to our attention that some email servers are blocking our emails.

If you haven’t received our emails, please send an email to president@aganycap.org.

Also, put the following email address on your safe list: aga_ny@verizon.net.

Volunteering Adds Up Well for Accountant

by Betsy Feldstein, Albany Times Union

October 17, 2006

For Marcella Junco, volunteering isn't an occasional activity. It's a way of life.

"At 15, I started out manning phones for the Muscular Dystrophy walk-a-thon," said Junco, 42, who is president of the local chapter of the Association of Government Accountants. A newlywed, she and her husband live in Albany.

It's been 27 years since she first volunteered at the Muscular Dystrophy Association, where her friend's mother worked at the time. As a high school student during the Christmas season, Junco was a Santa's helper, and she continued that role as an undergraduate at Widener University in Wilmington, Del.

She received a master's degree in accounting at the University at Albany, and these days her full-time job is with the accounting firm KPMG's Albany office. As a certified public accountant and senior manager, her responsibilities include government audits and advisory services.

The Association of Government Accountants New York Capital Chapter, which has about 400 members and will celebrate its 30th anniversary a year from now, provides education, supports professional certifications and promotes professional interaction for the government financial management community.



Along with its job-related mission, the not-for-profit professional association also stresses community service. This summer, members pitched in on the WMHT membership drive, and this month they are working with Habitat for Humanity. At a seminar next month they will hold a raffle and collection for the Northeastern New York Food Pantries. December will once again find the volunteers helping with the December 2006 Capital Holiday Lights at Albany's Washington Park. Other organizations that get their support include the Liberty Partnership Rising Stars Program, Ronald McDonald House and Center for Disability Services.

"Personally, it's very rewarding working with other dedicated volunteers," said Junco.



Triple Espresso a highly caffeinated comedy

by Bill Arnold, Michael Pearce
Donnley and Bob Stromberg

Holiday music, magic and mayhem for all ages!

*What did 3 guys do in 4 minutes that got them
banned from show biz for life?*

And, why would they do it again 25 years later?

The Chapter's new Socialization Committee has selected its first networking event for the year. We will be purchasing tickets to the very funny play, "Triple Espresso."

Where: Capital Rep in downtown Albany
When: Friday, December 29, 2006 at 8:00 pm
Ticket cost: \$31 each (a 20% discount)

We hope you will join us for this exciting opportunity to socialize and have a great time. Please register at www.aganycap.org by November 15th. The full amount of the tickets must be received by November 20th.

Tickets are limited so reserve yours today!

AGA National President Visits New York Capital Chapter

AGA's National President, Jeffrey S. Hart, CGFM, CFE, visited Albany in September and was guest speaker at the Chapter's Annual Kick-Off Breakfast at the Wolfert's Roost Country Club. Mr. Hart gave a presentation on his theme for the year: "Creating Exceptional Value for Government Accountability Professionals." He reminded all members in attendance about the AGA's core values of Service, Accountability, Integrity and Leadership. Mr. Hart urged all of us to become actively involved in the AGA and to "get excited!" AGA Regional Vice President David Gotlib also attended.

Mr. Hart personally presented Diana Jones-Ritter with the National President's Award in recognition of her outstanding service to AGA and her excellent leadership as co-chair of the 2006 National Leadership Conference. Ms. Ritter was unable to personally receive her award at the June Professional Development Conference.

Several Chapter officers and directors accompanied Mr. Hart and Mr. Gotlib to dinner at the Koto Japanese Steak House on Wolf Road. The dinner was not only delicious, but it was fun to see the meals prepared right at our table.



Jeff Hart presents Diana Jones-Ritter with her National President's Award at the September Chapter Kick-Off Breakfast.



Chapter President Marcella Junco gives Jeff Hart an Albany River Rats jersey as a token of our appreciation. Mr. Hart's "Let's Get Excited!" theme could apply to the Rats as well.



Many Chapter Officers and Directors attended the Kick-Off Breakfast and greeted National AGA President Jeff Hart and Regional AGA Vice President David Gotlib.



The food at the Koto Japanese Steak House was excellent. When is the last time a chef made you laugh? For that matter, when is the last time an accountant made you laugh?

Get Out and Vote! (These People Do)

Some guy bought a new fridge for his house. To get rid of his old fridge, he put it in his front yard and hung a sign on it saying: "Free to good home. You want it, you take it". For three days the fridge sat there without even one person looking twice at it. He eventually decided that people were too untrusting of this deal. It looked to good to be true, so he changed the sign to read: "Fridge for sale \$50". The next day someone stole it. Caution! . . . These people Vote.

While looking at a house, my brother asked the real estate agent which direction was North because, he explained, he didn't want the sun waking him up every morning. She asked, "Does the sun rise in the North?" "When my brother explained that the sun rises in the East, (and has for sometime), she shook her head and said, "Oh, I don't keep up with that stuff". . . . She ALSO votes!

I used to work in technical support for a 24/7 call center. One day I got a call from an individual who asked what hours the call center was open. I told him, "The number you dialed is open 24 hours a day, 7 days a week." He responded, "Is that Eastern or Pacific time?" Wanting to end the call quickly, I said, "Uh, Pacific" . . . He ALSO votes!

My colleague and I were eating our lunch in our cafeteria, when we overheard one of the administrative assistants talking about the sunburn she got on her weekend drive to the shore. She drove down in a convertible, but "didn't think she'd get sunburned because the car was moving". . . . She ALSO votes!

My sister has a lifesaving tool in her car It's designed to cut through a seat belt if she gets trapped. She keeps it in the trunk . . . My sister ALSO votes!

My friends and I were on a beer run and noticed that the cases were discounted 10%. Since it was a big party, we bought 2 cases. The cashier multiplied 2 times

10% and gave us a 20% discount He ALSO votes!

I was hanging out with a friend when we saw a woman with a nose ring attached to an earring by a chain. My friend said, "Wouldn't the chain rip out every time she turned her head?" I explained that a person's nose and ear remain the same distance apart no matter which way the head is turned. My friend ALSO votes!

I couldn't find my luggage at the airport baggage area. So I went to the lost luggage office and told the woman there that my

bags never showed up. She smiled and told me not to worry because she was a trained professional and I was in good hands. "Now," she asked me, "has your plane arrived yet?" SHE ALSO votes!

While working at a Pizza Parlor I observed a man ordering a small pizza to go. He appeared to be alone and the cook asked him if he would like it cut into 4 pieces or 6. He thought about it for some time before responding. "Just cut it into 4 pieces; I don't think I'm hungry enough to eat 6 Yep, he votes too.

Now you know who elects the politicians!

Independent Auditor's Report

Board of Trustees
Association of Government Accountants
New York Capital Chapter

We have audited the accompanying statement of financial position (balance sheet) of the Association of Government Accountants New York Capital Chapter (AGA) as of June 30, 2006 and the related statement of activities and changes in net assets (profit and loss) for the year then ended. These final statements are the responsibility of AGA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, AGA's balance sheet as of June 30, 2006, and the profit and loss statement for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2006, on our consideration of AGA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Nancy L. Taylor

Albany, New York

September 15, 2006