

SAN ANTONIO CHAPTER
ASSOCIATION OF GOVERNMENT ACCOUNTANTS

June 2006 Newsletter



AGA San Antonio Home — AGA Homepage



Nomination of 2006-2007 Board Officers were made by voice count and elected at March 2006 Luncheon.

2006 – 2007 CHAPTER OFFICERS

Regional VP: Riley Shaull
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Immediate Past President
Martin J. Hagan

Treasurer: Richard Middleton
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**Membership Director/University
Contact: Jana Dudding**
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CGFM/Early Careers Chair: Open
**Community Events (Charitable
Drives): Open**
Education Director: Open

President's Message.

Our chapter would like to recognize the following members:

Jana Dudding – Membership Director and University Contact

Richard Middleton – \$25 AGA Bucks – Earned AGA National AGA Bucks for Recruitment Drive

Frederick Powers – Air Force – Retires in July and will be moving to the New York area

The Executive Board is finalizing the 2006-2007 plans and will include three 2 hour educational events in our monthly schedule. These events are sponsored by AGA National jointly with the National Association of State Auditors, Comptrollers and Treasurers (NASACT) and the Association of Local Government Auditors. NASACT will be doing four other ones. All three associations are licensed by National Association of State Boards of Accountancy (NASBA). These audio conferences CPE are acceptable under the GAO Yellow Book and the AGA CGFM. Our Chapter selected three AGA National audio conferences. These are live educational events with the remaining 20 minutes for question and answer interaction from chapters to the panel.

Our monthly meetings will go to the 4th Wednesday for regular luncheons to be held in the “Ladies Card” room at Ft Sam Golf Clubhouse. Cost \$15.

In this Newsletter:

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Current AGA National News

<http://www.agacgfm.org/homepage.aspx> (To read full stories)

Nearly 1,800 attendees filled a ballroom at the San Diego Marriott Hotel & Marina to see a presentation of the colors of the Naval Base Coronado Color Guard, entertainment from Mariachi Real De San Diego, and a stirring remembrance of founding member Raymond Einhorn, CGFM, who died in April, by Past National President William J. Anderson Jr., CGFM, and Past National Treasurer Eva Williams, CGFM. ([View the tribute to Raymond Einhorn.](#))

Attendees then heard Peter A. Harkness, editor and publisher of *Governing* magazine, discuss what he calls a quiet crisis in government: an impending wave of Baby Boomer retirements that threaten to leave federal, state and local governments with a gaping loss of institutional knowledge. [Read the full story.](#)

Next, James A. Zingale, the executive director of the Florida Department of Revenue, discussed two very different stories of government transformation within his department of more than 5,000 employees, who handle not only tax and revenue collection but child support enforcement as well. [Read the full story.](#)

The Pursuit of Happiness
Christopher P. Gardner, founder, president and CEO of Gardner Rich & Company, Inc., and author of "The Pursuit of Happiness," shared his riveting tale of rising from homelessness to being the subject of a Will Smith film due out later this year.

He described his current life as being, "out of control. They are making a movie out of my life with one of the biggest movie stars in the world." Gardner said handling fame and success is a challenge in and of itself. "Being a millionaire is a highly overrated experience," he said.

The news show "20-20" followed him for three days from New York to San Francisco to Chicago and then cut the three days down to 16 minutes. "You hope it's the best 16 minutes of your life." The day after the interview aired in 2003, Oprah called and asked him to be on her show and he said no. The rationale, he said, was the "20-20" thing went well, now leave it alone. "I'd been five minutes away from Oprah Winfrey for 15 years and she never said hi to me," said Gardner, a longtime resident of Chicago where Winfrey's production company is headquartered. "I said, no, I'm not going."

Then he received a call from a producer wanting to do a reality show on homelessness that offered lots of fancy prizes. "Homelessness is not a game and if you think it is, I've already won so send me the money," he told the producer. [Read the rest of Gardner's story.](#)

Register Now to Attend AGA's Internal



Control & Fraud Conference!
The conference will be held on September 25-26, 2006

at the Grand Hyatt Hotel in downtown Atlanta, GA. With a theme of "Fraud Prevention and Detection: The Newest Tools and Techniques," the conference will focus on management's responsibility for ensuring a good system of internal controls and the role of all accountability professionals in minimizing the risk of fraud, waste and abuse.

Program 2006 – 2007 By Joanna Baltierra

September 14, 2006 - Risk Assessments for Performance Auditing - Jerry Silva, San Jose City Auditor; State and/or Federal rep TBA - Sponsored by: [AGA National and National Association of State Boards of Accountancy](#) - Live NASBA Audio Conference

October 25, 2006 - M1 Money and Energy Driven Inflation - Tom Stringfellow, Chief Investment Officer, Frost Bank Financial Management

November 08, 2006 - The New Yellow Book - Jeff Steinhoff, Managing Director, Financial Management and Assurance, GAO; Jeanette Franzel, Director, Financial Management and Assurance, GAO; Marcia Buchanan, Assistant Director, Financial Management and Assurance, GAO - Sponsored by: [AGA National and National Association of State Boards of Accountancy](#) - Live NASBA Audio Conference

January 17, 2007 - Legislative Updates - Joint – AICPA
Harvey Kronberg, CPA, AICPA Society

February 28, 2007 - Internal Controls – Speakers TBA
Sponsored by: [AGA National and National Association of State Boards of Accountancy](#)- Live NASBA Audio Conference

March 28, 2007 – Topic TBA - Riley Shaul, Finance Officer, Office of State Finance and AGA Regional VP OK TX

April 25, 2007 - Capital Assets - Ms. Debra L. Weyer, CGFM, Manager, Health and Human Services, Commission, Office of Inspector General

FMSB Issues Comment Letter to GASB AGA Financial Management Standards Board (FMSB) issued a comment letter in response to a statement of the Governmental Accounting Standards Board (the Board) on *Accounting and Financial Reporting for Pollution Remediation Obligations*.

GovExec.com
Reprinted as a Brief
[DAILY BRIEFING](#)
June 26, 2006

GAO, Navy add to growing list of federal data breaches

By Daniel Pulliam

The number of agencies announcing data breaches is continuing to grow, with both the Navy and the Government Accountability Office revealing Friday the inadvertent release of personal information over the Internet.

Personal information, including Social Security numbers, birthdates and names of about 28,000 sailors and their family members, turned up on a civilian Web site in spreadsheet files, the Navy announced. GAO revealed that sensitive information on fewer than 1,000 government workers was available in Internet-accessible archival records.

While the Veterans Affairs Department data loss early last month has gotten the most attention, the GAO and Navy incidents also follow the disclosure of breaches of thousands of employees' personal data at the Agriculture and Energy departments and less significant compromises at the Internal Revenue Service, Social Security Administration and Federal Trade Commission.

In a [memorandum](#) Friday, Clay Johnson, Office of Management and Budget deputy director for management, released a checklist of safeguards for the protection of information that is accessed outside agencies' offices and said OMB will work with inspectors general to ensure compliance within the next 45 days.

"Strict adherence to safeguard standards is critical to protecting sensitive data," Johnson said in a statement.

In addition to the checklist, provided by the National Institute of Standards and Technology, Johnson recommended that agencies encrypt all data on mobile computers and require two factors of authentication for access, re-authentication after 30 minutes of inactivity and the deletion of all sensitive information within 90 days.

ACFE: U.S. Companies Lose 5% to Fraud, \$652B Nationwide Reprint through AGA National Website

ACFE's "2006 Report to the Nation on Occupational Fraud and Abuse" is based on 1,134 fraud cases examined by Certified Fraud Examiners (CFE).

The report reveals fraudulent financial statements were the costliest form of occupational fraud, with a median loss of \$2 million. Asset misappropriation was the most common type of occupation fraud, occurring in 91.5 percent of all reported cases, with a median loss of \$150,000. Corruption occurred in 30.8 percent of all reported cases, with a median loss of \$538,000.

Another finding of the report: certain anti-fraud controls, such as a fraud hotline, can have a measurable impact on an organization's exposure to fraud. In the cases reviewed, organizations that suffered a median loss of \$100,000 had an anonymous fraud hotline, whereas organization's without this hotline suffered a median loss of \$200,000.

The study also found that occupational frauds are more likely to be detected by a tip than by other means such as internal audits, external audits or internal control.

ACFE's report comes months after the founder and chairman of the ACFE, Joseph T. Wells, CFE, CPA, expressed fears that the nation's

"As a group, CPAs are neither stupid nor crooked. But the majority are still ignorant about fraud," explained Wells. "That's because for the last 80 years, untrained accounting graduates have been drafted to wage war against sophisticated liars and thieves. And as multi-billion dollar accounting failures have shown, it hasn't been much of a fight."

Although the report's estimate of overall fraud losses is based on the collective insight of hundreds of anti-fraud professionals, the true amount of fraud taking place in U.S. businesses cannot really be known.

"Fraud, by its nature, is hidden, and so the true amount of fraud taking place in U.S. businesses at any one

May 11, 2007 - Accountable Leaders - Honorable Sylvia Romo, Bexar County Tax Assessor - Chapter Meeting/Exec Board - A Dinner event.

Membership By Jana Dudding

Participate in two University Career Days to promote membership in local chapter and designation of CGFM:

October 19-20, 2006 - Non Profit Career Fair-Downtown campus from 10 – 2

November 14, 2006 - Educator Fair for teachers

Website By Dora Pena

The website is under development. The webpage is <http://www.sanantonio.aga>

Regional Event Regional Workshop By Rory Chapman

The AGA Regional Chapter Workshop held Saturday, June 10, 2006, at the Sheraton Oklahoma City Hotel. Rory Chapman attended this workshop.

Community Events By Ernest Dabon

Several familiar and new community events will be scheduled and announced monthly. Events will include needed Baby Foods for the San Antonio Food Bank, an IPOD Travel Charger Raffle with proceeds for the Battered Women's Shelter of Bexar County, Warm Clothing and Spring Clothing Drive for Goodwill Industries, Blood Drive designated for the Methodist Hospital, Valentine Silk Rose Drive (candies), Easter Basket of Hotel Sundries, Mother's Day Basket of Teddy Bear, Activity Books, and crayons for the Battered Women's Shelter of Bexar County. We know our members will again share their hearts in these community events.

Finance Update

By Richard Middleton – \$672 to be paid for three audio conferences scheduled for 2006-2007.

time cannot be calculated," said John Warren, General Council, ACFE, "Even attempts to measure the amount of fraud that has already been detected will lead to incomplete results."

Warren explained that many fraud cases go unreported, either because the victim organizations do not recognize that they have been defrauded, because they choose not to report the crimes for fear of bad publicity or simply because they do not want to deal with the repercussions. He cited the lack of a central repository for collecting fraud-related data as an impediment to determining precisely how big the problem is.

"The one thing we do know for certain," said Warren, "is that occupational fraud imposes tremendous costs on U.S. organizations."

Download a copy of the complete 2006 Report to the Nation (PDF) here: <http://www.acfe.com/about/press-release-06-20-2006.asp>.

The anti-fraud organization will host its annual fraud conference in Las Vegas on July 9-14.

AGA serves government and private accountability professionals by providing quality education, fostering professional development and certification, and supporting standards and research to advance in knowledge of government accountability.