

Credit Line

A MEMBER NEWSLETTER

MARCH 2010

Credit Fraud

Come to the March 3rd, Fraud, Identity Theft and Embezzlement Seminar and learn how your company can avoid being a victim

In its most simple form, credit fraud is the act of using someone else's credit card or credit card number in order to obtain goods or money. Since the beginning of credit cards, there have been thieves whose sole purpose is to steal them for their own gain. The issue of credit fraud became more complicated with the ability to purchase items or services without needing the physical credit card to buy them like using a credit card number to make a purchase over the telephone. Things have become more complicated now since the Internet has provided perpetrators of credit fraud with many new and different ways to commit their crimes.

Making matters even more difficult, credit thieves can be quite difficult to catch and prosecute if they are adept at their fraudulent practices. A stolen credit card number can be left unused for months before the thief decides to begin stealing with it. Once they do, the cardholder may not know that it is being used until they receive a billing statement in the mail. Once a cardholder becomes aware of credit fraud, they are usually able to cancel their card rather quickly. Most credit card companies have policies in place to protect their cardholders from fraud. Credit card companies also have complex security measures in place that alert them when a card is possibly being used for fraud, and they will often block suspicious purchases until the actual cardholder verifies them.

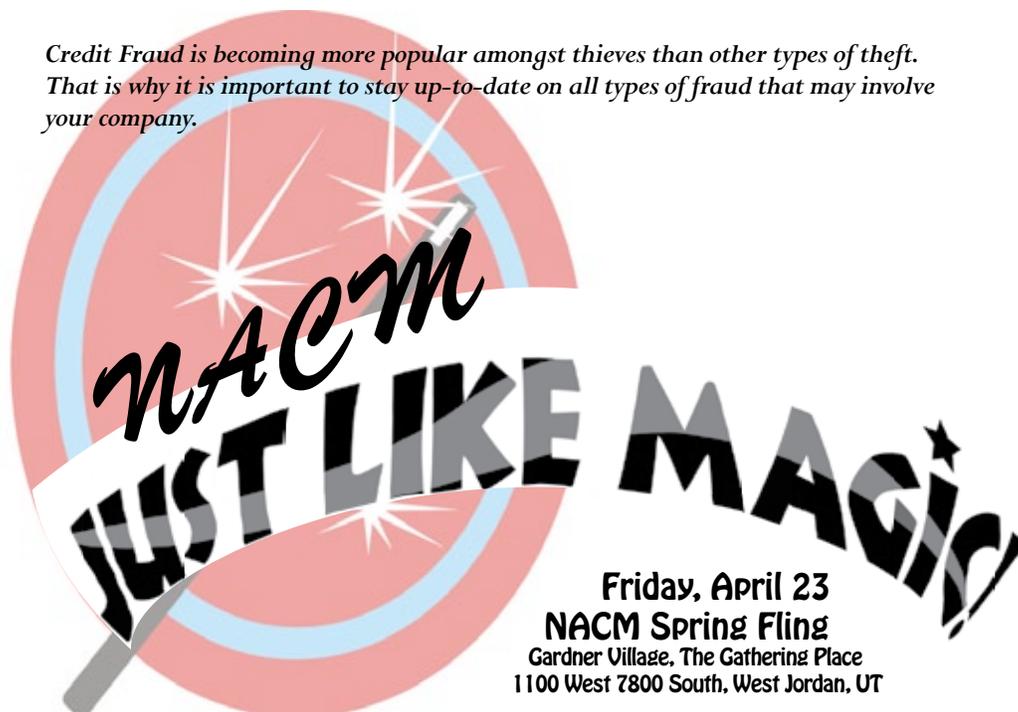
Credit Fraud is becoming more popular amongst thieves than other types of theft. That is why it is important to stay up-to-date on all types of fraud that may involve your company.

**Fraud & Identity Theft Seminar
March 3**
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**Mechanic's Lien Seminar
Salt Lake City
March 23**
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NACM
JUST LIKE MAGIC!

Friday, April 23
NACM Spring Fling
Gardner Village, The Gathering Place
1100 West 7800 South, West Jordan, UT

FINAL CALL!

**FRAUD
IDENTITY
THEFT**

NACM/Financial Credit Group

**IT CAN HAPPEN TO
YOUR COMPANY!**

*Up-to-date Information
Drawings
Continental Breakfast
Italian Lunch Buffet*

Wednesday, March 3rd, 2010/Red Lion Hotel, 8 a.m.–3 p.m.

161 West 600 South, Salt Lake City, UT

Karen Seo, Cyprus Credit Union, Chairperson

\$59/NACM Member–\$79/Non NACM Member (includes buffet lunch)

NACM Control Number #18127
Continuing Education Unit(s) – 0.575
CCE Recertification CEU(s) – 0.575

8–8:30 a.m.: Registration and Continental Breakfast

8:30–10 a.m.: “How To Protect Your Business from Fraud & Identity Theft
Speaker: Jessica VanWagenen–Cyprus Federal Credit Union, Accounting & Fraud

10–10:15 a.m.: Break

10:15–12 noon: “In House Fraud/Embezzlement...Impact To Your Business”
Speaker: Floyd J. Legleiter–Forensic Accountant, FBI, Salt Lake City Division

12 noon–1 p.m.: Buffet Luncheon, Red Lion Hotel
“Red Flag Update” Speaker: Scott W. Lee, JD, NACM Vice President

1:15 – 3 p.m.: Identity Theft–Consumer & Business/Counterfeiting Checks & Currency
Speaker: Karen Nelson, Wells Fargo Bank, Risk Consultant & Assistant Vice President



To sign up please call Julia Buck at 801-487-8781 ext. 119 or email Julia@nacmint.com

NACM BCS Board of Directors Election

We are doing something just a little different this year. We normally put in a picture and a bio of the candidates in the April Newsletter. We still will. But, we thought we might start with a quick introduction and contact information in the March Newsletter. We would like to give the membership the time and opportunity to get to know candidates that may not be in their group or that they may not know otherwise. So, here are some short introductions. If you have questions about or for a candidate, make contact with the candidate and pose the question. You want to know that you are voting for the person you think is most qualified. We will print a more complete biography in April.

1 Karen Seo, Cyprus Credit Union, Business Development Manager, email kseo@cypruscu.com

My name is Karen Seo and I am the Business Development Manager at Cyprus Credit Union. I have been employed at Cyprus for 4 ½ years but I have over twenty five years of experience in the credit union industry. I have extensive experience in the operations, personal and business lending, and compliance areas. I think I can bring a different perspective to the board of NACM. As a financial lender, I am aware of the trends and issues we are concerned with when granting credit. I am excited to have the opportunity to run for the Board of Directors and ask for your vote.

Nominees for the NACM BCS Board of Directors Continued...

2 Shane Inglesby, CCE, Geneva Rock Products, Inc., email singlesby@genevarock.com

I have worked in the field of credit for nineteen years and am currently employed as the Corporate Credit Manager for Geneva Rock Products, Inc. Prior to working with Geneva Rock, I worked for several other construction suppliers in credit management positions. I also worked as a business analyst with Dun and Bradstreet for five years.

I am a strong supporter of NACM and believe my prior experience would assist the Board and help ensure that NACM continues to exceed member expectations. NACM has given me many opportunities to grow in the field of credit. Serving on the Board would provide an opportunity to return something back to the association that has played such an important role in advancing my career.

3 Mary Jane McIntosh, CBA, Henderson Wheel & Warehouse Supply, email maryjane@hendersonwheel.com

Hi! I am Mary Jane McIntosh. I am the Corporate Credit Manager for Henderson Wheel & Warehouse Supply. We have been members of NACM since the beginning of time. Well maybe not that long but it has been for many years. We have enjoyed our relationship with them and have benefited greatly from their services.

I feel it an honor to have been nominated to run for the Board of Directors for NACM. I had the great opportunity of serving on the Board from 2003-2006 and would love to serve again. Please keep me in mind come April when elections will take place.

4 Susan Lujan, CCE, Kenworth Sales, email slujan@kwsco.com

I am excited for the opportunity to be on the NACM board. I've been involved with NACM BSC Salt Lake City 20+ years and will tell all who listen that I would not be where I am now without it. I've gained education, opportunities and credentials (CCE) that helped me and the businesses I worked for and feel strongly about "paying it forward" for other individual and member companies.

Toward that end, I'm involved in teaching, mentoring and speaking locally, regionally and nationally to advance the value of commercial credit. I also believe my formal education from Westminster College (with a BS degree in Business Management and Marketing) is an asset to the "business" of NACM in keeping it strong and viable for the future. Additionally, I sit on the NACM National Board where I have an opportunity to represent the voices of not only NACM BSC but also the membership of the "West Region".

5 Kelley Kunz, CCE, Martin Doors, email kellykunj@martindoor.com

I am honored to be nominated to run for a seat on the NACM Board. I have been a long time member of this great organization and feel I am successful because of NACM and the great people with whom I associate.

I have been with Martin Doors for 23 years in the Accounting and Credit Department. I am currently the Vice Chair of ICEL and will move on to the Chair of ICEL. Like many I didn't choose credit, but with the many resources available thru NACM, I have been successful.

It would be great to give back for all I have received.

6 Jamie Siglin, CBA, Window Design, email j.siglin@interiorwindowdesign.com

I grew up in the Tri-City area of Michigan, but have resided in Salt Lake City since 1980. My husband, Russell and I have owned and managed Interior Window Design since 1982. I manage the finances, accounting, contract review and negotiation, and assist in project coordination.

I have an AAS degree in ornamental horticulture and an AAS in finance/credit from "SLCC", graduating with honors and as Finance/Credit Student of the Year. Additionally, I hold both real estate and mortgage licenses in Utah. I am currently pursuing the last prerequisite for CBF certification.

It would be an honor and privilege to serve on NACM's Board of Directors and to assist in preserving this resource for those who provide credit."

Embezzlement— Be Aware

Adapted from an article written by Jim Morgan, Summit Daily News

Embezzlement by definition is a crime committed by someone in a position of trust.

It can be the loss of a small amount of money such as a couple of dollars taken from a cash register, or it can be a considerable sum stolen through an elaborate bookkeeping scheme. Thieves typically see themselves as smarter than those with whom they work and cunning enough to beat the system. Methods of embezzling are limited only by imagination.

Here are some examples:

- In the simplest situation, cash is received and the employee merely pockets it without recording the transaction. This type of theft is difficult to prevent or detect if the transaction is a cash sale, and no subsequent entry is necessary in receipt or accounts receivable records.

- Somewhat more complicated is what's called lapping, which involves the temporary withholding of receipts for accounts receivable payments. In lapping, an employee who opens mail or otherwise receives cash and checks as payment holds out a \$100 dollar cash payment made by Customer A. To avoid arousing suspicion on A's part, \$100 is then taken from a \$200 payment made by customer B a few days later. This is sent on, together with the necessary documentation, for processing and crediting to the account of A. The embezzler pockets the remaining \$100, which increases the shortage to \$200.

A fraud of this nature can run on for years. Of course, it requires detailed record keeping by the embezzler in order to keep track of the shortage and transfer it from one account to another to avoid suspicion. Any indication that an employee is keeping personal records of business transactions outside your regular books of account should be looked into. If the embezzler also has access to accounts receivable records and statements, he or she is in a position to alter the statements mailed to customers.

- Sometimes company bank accounts are used for check kiting. In fact, losses from some large check-kiting schemes have been great enough to cause a company to go broke. In the usual scheme, the check-kiter must be in the position to write checks on and make deposits in two or more bank accounts. One account could be the embezzler's personal account and the other a business checking account. If the embezzler has an accomplice in another business, two business accounts may be used. The check-kiter takes advantage of the time period (or "float"), which is the number of days between deposit of a check and collection of funds. Assuming that it takes three business days for checks to clear, a simple kite between two banks could be accomplished as follows:

On Dec. 1, a check in the amount of \$5,000 drawn on bank "A" is deposited in bank "B." On Dec. 2, the check kiter cashes a \$5,000 check payable to cash and drawn on bank "B" with a teller at bank "B."

Because the original kited check will be presented to bank "A" on Dec. 4, the check kiter on or before that date will deposit a \$6,000 check drawn on bank "B" in bank "A" not only to insure payment of the original kited check but to increase the amount of the kite.

As the process is repeated, the kited checks become larger, more cash is withdrawn, and the scheme can continue until the shortage is covered or the kite "breaks," which is when one of the banks refuses to honor a kited check because the funds on deposit are uncollected.

- Occasionally an embezzler will add the names of relatives or fictitious individuals to the company payroll and thus enjoy several salary checks each week instead of one.

- When a company becomes large enough that the owner-manager can no longer exercise personal surveillance of accounting activities, opportunities arise for a dishonest employee to set up a dummy supplier and falsify documentation of fictitious purchase transactions.

Those are but a few examples, but there are dozens of ways a dishonest employee can defraud their employer. Purchasing agents can accept "kickbacks" from suppliers from purchasing goods at inflated prices. Salespeople and others can pad their expense accounts. Overtime can be falsely recorded. And so on ...

Looking Ahead

March 3 NACM Fraud & Identity Theft Seminar, Red Lion Hotel
 March 11 ICEL Executive Appreciation Luncheon, Red Lion Hotel
 March 18 Mechanic's Lien Seminar, St. George, UT, Holiday Inn
 March 23 Mechanic's Lien Seminar, SLC, NACM Training Room
 April 23 JUST LIKE MAGIC–NACM Spring Fling

March, 2010

Sat. / Sun.	Monday	Tuesday	Wednesday	Thursday	Friday
	1	2	3 FRAUD & IDENTITY THEFT SEMINAR RED LION HOTEL	4 Hardware & Lumber	5 Steel & Welders
6/7	8 Floor Covering	9 Food & Restaurant	10 SLC Contractors	11 ICEL LUNCHEON RED LION HOTEL 11:45 A.M.	12 Concrete, Paving, Excavating & Waterworks
13/14	15 Masonry, Landsc	16 Printing Ind. of Utah Heating & Plumbing	17 Advertisers, Media Ut. County Contr.	18 Industrial Supply Electrical MECHANIC'S LIEN SEMINAR. SO. UT. So. Ut. Contractors	19 Diesel Engines Ogden Contractors
20/21	22	23 Equipment Dealers MECHANIC'S LIEN SEMINAR SLC, NACM OFFICE	24 General Service Window/Doors	25 General Contractors National Railroad	26

ICEL would like to thank all of our NACM friends that came to the February ICEL luncheon with Aric Krause. We would like to invite you back to our March luncheon with Mark Carpenter. Join US !

ICEL Executive Appreciation Luncheon

Thursday, March 11, 11:45 a.m.–1:15 p.m.
 Red Lion Hotel, 161 West 600 South, SLC
 ICEL Members \$16, Non ICEL Members \$26

*ICEL is an educational
arm of NACM.*

*For ICEL reservations,
contact Georgette Bevan,
CCE, at 801-433-6116.*

TOPIC: The Power to Change Anything, Speaker: Mark Carpenter, People Smart Solutions

The ability to influence change in ourselves and others is one of the most powerful capacities human beings possess. Yet, we're often not very good at creating lasting change in areas that matter most to us. We're stuck with poor productivity, low quality, lack of cooperation and other problems at work. Sometimes we even have a hard time getting ourselves to change personal behavior to improve our health, strengthen relationships, and reach personal goals.

Based on the book and training "Influencer: The Power to Change Anything," this session will tap into the skills used by influence experts around the world to succeed where others have failed at making lasting change. We'll apply these skills to your world to get you started on influencing what matters most to you. Join us for an interactive session that will change the way you look at the world and demonstrate how you can influence positive change.

Books will be available for sale after the meeting for the price of \$20 each (including tax).

Mechanic's Lien

Speaker: Dana Farmer
Attorney, Liencounsel



Seminar

Tuesday, March 23, 2010

NACM Training Center

7410 S Creek Rd, #301, Sandy, UT

10 a.m. - 12 noon/\$40

Topics:

Utah lien and bond claims, state construction registry, preliminary notice, notice of commencement, notice of completion, notice of lien

You will learn all the information necessary to file the above forms from beginning to advanced and answer your questions

plus

Legislative Updates



SIGN US UP for the Mechanic's Lien Seminar on Tuesday, March 23, 2010

FAX to Georgette Bevan, CCE, (801) 484-1891, phone (801) 433-6116, GBevan@nacmint.com

Company Name _____ Member # _____

Attendees Names _____

email address _____

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NACM BCS Board of Directors, 2009-2010

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