1. PRESIDENT’S MESSAGE

Full Speed Ahead!

Internal auditing is a profession on the rise and the IIA Long Island Chapter, your chapter, is privileged to have many of the most talented people in the profession. It is thanks to the support and efforts of everybody that the Chapter’s offerings have been so well received and, I am pleased to share, we have more great events on the horizon.

The Long Island Chapter’s membership and attendance is tracking very well and at the end of February we attained the IIA’s highest rating, that of being a
1. **PRESIDENT’S MESSAGE**  

“Platinum” Chapter. We are also pleased that the people attending our seminars continue to rate their overall satisfaction as “very high” and that 60 Chapter members have earned IIA related certifications so far this year (see more on Page 13-14) The Long Island Chapter has also made a number of strides in improving communications with members including changes to our chapter newsletter, website (https://chapters.theiia.org/long-island/Pages/default.aspx) and post event survey, which has encouraged more feedback and an increase in the number of members stepping up to help move the Chapter forward. We are also pleased to report that the Chapter remains on a sound financial footing and is continuing its efforts to bring top educational and other opportunities to its members.

Ahead, on April 12th, we will be holding our Annual Conference which will focus on Business Continuity Planning and will feature experts who will help participants learn techniques and skills which will help them to improve their organization’s resiliency. More details are enclosed.

On May 3rd we will hold our Annual Dinner at the Taste 99 Restaurant at the Bethpage Gold Course (see page 3 -5) which will feature a cocktail hour, dinner, full bar, live music and prizes. The cost of this grand event is very reasonable and we encourage everyone to attend.

On May 10th we will hold our Annual IT conference which will include some great speakers about which more information will be forthcoming.

Also underway is an initiative to launch roundtable breakfasts where members can meet with colleagues from their industries to share ideas, techniques and further their professional networks. We are also working on some new branding efforts which we plan to roll out shortly.

Great Things Lie Ahead!

Roy Garbarino CIA, CPA, CRMA  
President IIA Long Island Chapter Inc.  
Director Internal Audit Teachers Federal Credit Union  
LongIslandIIa@yahoo.com  
roygarbarino@yahoo.com
IQA Long Island Chapter
Annual Year-End Dinner

The IIA Long Island Chapter Board of Governors requests the pleasure of your company for dining and music at our Annual Year-End Dinner

Friday, May 3 - Cocktails at 7 pm, Dinner at 8 pm

TASTE 99 Restaurant
At Carlyle on the Green Bethpage
Music presented by: Arnie Gruber & His Band

Networking - - - - - - Prizes

RSVP by April 26th
http://www.cvent.com/d/6cq5c0/1Q
Or the attached registration form

We would like to extend our gratitude to all event attendees for their support and especially our annual subscribers:

TASTE 99
RESTAURANT

Bethpage State Park
99 Quaker Meeting House Road
Farmingdale, New York 11735

From the Northern State Parkway
Eastbound take to exit 36A and Westbound take exit 37A to Route 135/
Seaford-Oyster Bay Expressway.
Take Route 135 / Seaford-Oyster Bay Expressway South to exit 8 (Powell Avenue).
Make left turn off exit ramp at stop sign. Continue to traffic circle and go 1/2 way around (2nd right).
Follow signs to golf courses and Clubhouse.
Taste 99 (Carlyle on the Green) is located at the Clubhouse.

From the Long Island Expressway
Take to exit 44 South (Route 135 / Seaford-Oyster Bay Expressway) to exit 8
(Powell Avenue).
Make left turn off exit ramp at stop sign (Powell Avenue turns into Plainview Road once you make the left).
Continue to traffic circle and go 1/2 way around.
Follow signs to golf courses and Clubhouse.
Taste 99 (Carlyle on the Green) is located at the Clubhouse.

From the Southern State Parkway
Take to exit 31N (Bethpage State Parkway).
Continue to the end, past exit B4.
Bear right and follow all signs to golf courses and Clubhouse.
Taste 99 (Carlyle on the Green) is located at the Clubhouse.
IIA LONG ISLAND CHAPTER
Annual Year-End Dinner
REGISTRATION FORM
FRIDAY, MAY 3, 2013

Please indicate if you and a guest (if applicable) will be attending The Annual Year-End Dinner

Name: ______________________________________

_____ I am a member and will attend at a cost of $75.
_____ As a member, I will bring a guest at an additional cost of $50.
_____ I am non-member and will attend at a cost of $75.
_____ As a non-member, I will bring a guest at an additional cost of $75.

Total Amount Enclosed $ _______

Please respond no later than April 26, 2013 by returning this form and a check made payable to “The IIA Long Island Chapter” to:

IIA Long Island Chapter
PO Box 442
Smihtown, New York 11787

If you have any questions please notify Roy Garbarino at longislandiia@yahoo.com or Karen Amato at Karen.amato7@gmail.com or 516-361-2303.
3. **ANNUAL CONFERENCE – Registration & Program**

**the LONG ISLAND CHAPTER of the**
**INSTITUTE of INTERNAL AUDITORS**
**ANNUAL CONFERENCE**

**Business Continuity Planning**

*Friday, April 12, 2013 – Melville Marriott – (8 CPE/CPD credits)*

"**Mitigating Risk** - in the Post Super Storm Sandy Era”

"**Mitigating Risk** – Man-Made and Natural Disasters”

"**Mitigating Risk** – Sharing of Crucial Lessons Learned”

"**Mitigating Risk** – Are We Prepared for What’s Next”

This year’s Annual Conference will provide a comprehensive review of the key elements to successfully preparing and assessing a Business Continuity Plan (BCP), success stories, pitfalls and ways you can help your company optimize risk in preparing for the next disaster.

- The village of East Rockaway was completely devastated by Super Storm Sandy. So how could the East Rockaway School District be up and running and fully functional the next day? Learn about critical Business Continuity Planning, the review process, and techniques implemented that led to this success story.

- Benefit from actual case studies detailing the differences between BCP plans that worked and those that failed, and the determining success factors. Learn the best practices for reviewing and assessing a BCP plan.

- Learn how to help your company navigate through large scale National Disasters by understanding the roles and interactions between various federal, state and local government organizations and how your business can leverage their support.

- There will be a special lunch guest presenter: Rich Murdocco a proud, lifelong Long Islander and an expert in Long Island’s land use issue and regional development. Rich’s work has appeared in various print and online publications, including Newsday, the Long Island Press and Long Island Business News. Rich will discuss the history of storm disasters on Long Island and possible implications for the future.
3. ANNUAL CONFERENCE – - continued from previous page – -

The 2011 tsunami and subsequent Fukushima nuclear reactor disaster captivated the world’s attention and made everyone question the readiness of their own BCP. How will governments, businesses, and communities deal with similar events in the future? Learn how the critical and timely dissemination of information by the U.S. Government to protect U.S. citizens in Japan enabled sound decisions to be made to ensure safety and risk minimization. The Department of Energy’s response to this event will be discussed and also its applicability on a much larger scale for domestic radiation emergencies including the dissemination of data through affected State(s) government and then to the public.

Come join us for what will be a full-day of something for everyone in the ever-changing world of BCP as we enter into calendar year 2013.

NOTE: Annual chapter elections will be held at 9:00 AM with the seminar beginning directly thereafter at 9:10 AM.

About Our Speakers

Our chapter is pleased to host a slate of distinguished speakers for our Annual Conference. They are noted below:

Ernest Patrick Smith, CPA/ABV/CFF, CVA, CFE, is a Senior Partner with Nawrocki Smith LLP and leads the Special Services Practice which includes providing Internal Audit, Internal Control Review and Evaluation, Forensic Accounting/Business Valuation and Risk Management Services to for-profit, not-for-profit, governmental, banks/credit unions, insurance companies and other related entities. He has extensive experience as a Financial Investigator regarding integrity, internal control and evaluation, business valuation challenges, fraud and other related situations. He has led numerous training services for his clients and professional staff on various topics relating to internal audit, internal control review and evaluation, business valuation, fraud and forensic investigations and practice standards. He is a member of several committees within the New York State Society of CPA’s including the Business Valuation Committee, Public Schools Committee and the Professional Ethics Committee. He has provided assistance to counsel, deposition testimony and trial testimony in all aspects of litigation-related matters including mediation, arbitration and litigation. He has been recognized as an expert witness in accounting, business valuation and fraud related matters in both federal and state courts.
3. **ANNUAL CONFERENCE**

Dimitris Bantileskas is the Manager, Internal Auditing at Nawrocki Smith LLP. In this capacity, he is responsible for directing all internal control reviews and special projects in the financial compliance, operational, and information systems areas. He has experience in understanding and documenting a wide variety of accounting information systems and analyzing and designing internal control systems to include both preventive and detective controls. He reports all activities to the Senior Management and Audit Committee. Mr. Bantileskas works closely with external auditors to ensure reliable audit procedures are being performed. He provides initial training for all professional accounting functions at Nawrocki Smith LLP and ensures Nawrocki Smith’s Internal Control Group is in compliance with IIA standards. Mr. Bantileskas has extensive experience in the measurement of financial damages related to lost profit, property damage, occupational disability, and business interruption claims. He has provided forensic accounting services, assisted Senior Partners in authoring numerous expert reports, and provided litigation consulting services to attorneys in trial settings including the preparation for and rebuttal of opposing experts. Mr. Bantileskas has investigated many fraud cases including embezzlement, theft of cash, theft of time, theft of inventory and other personal property, and kickback schemes. Mr. Bantileskas graduated from Baruch College in 2004 with a major in Accountancy. He is a Certified Public Accountant, Certified in Financial Forensics, Certified Information Technology Professional, and a Certified Fraud Examiner. He is a member of American Institute of Certified Public Accountants, New York State Society of Certified Public Accountants, Association of Certified Fraud Examiners, and Information Systems and Controls Association.

Gerard M. Ford is an Implementation Project Manager and Director of Business Development for Manufacturing and Supply Chain SAP Applications at Medical Action Industries Inc. which he joined in 2008. Prior to that, Jerry was the Director of Management Information Systems of U.S operations for Sulzer Metco. He holds a Bachelor’s Degree in Information Systems from Empire State College, SUNY. In his position as a Director at Medical Action, he manages implementation efforts at all facilities specific to supply chain and manufacturing initiatives for SAP. He is an effective, tenured, and successful IT executive with over 19 years of executive IT management experience, presenting a unique experience blend of project management, global ERP implementation, business process / organization reengineering and IT management. In addition to his responsibilities at Medical Action, he was a U.S. Marine Corps Reserve Warrant Officer holding multiple military occupational specialties including, Communications Officer, Nuclear, Biological and Chemical Officer and Emergency Planning Liaison Officer. During his time in the Marine Corps, Gerard also graduated from the US Army-FEMA Emergency Planning Liaison Officer School and participated in multiple State to Federal level emergency exercises. Gerard is currently a Combat Service Support Automation Management Officer in the New York Army National Guard and was activated as a Liaison Officer serving at the Nassau County Emergency Operations Center throughout Operation Sandy. Gerard has been a return speaker at SUNY Empire State College technology fairs and at the Association of Information Technology Professionals.
Paul Grigg is a Senior Manager in the Security & Privacy Services group of our Enterprise Risk Services practice focusing on Business Continuity Management / Disaster Recovery Planning, Information Systems Security, Security Management and Risk Management. He has more than 22 years of experience including the development and implementation of business continuity plans, technology recovery assessment, and disaster recovery plans. Paul has extensive experience with technology recovery strategies as well as software planning and incident management solutions and their deployment. Paul is a member of the ACP, and a former board member of the Contingency Planning Exchange as well as a co-founder of the BCP Legal Forum.

Rich Murdocco is a proud, lifelong Long Islander. In 2009, he graduated Fordham University with a BA in both Political Science and Urban Studies, and graduated from Stony Brook University with a Masters in Public Policy in 2010. At Stony Brook, he studied planning with Dr. Lee Koppelman, Long Island’s veteran planner. Koppelman’s teachings have helped shape his philosophies regarding Long Island’s land use issues, as well as his overall approach to regional development. Murdocco started The Foggiest Idea, a blog and Twitter account where he writes on Long Island’s land use issues. His work has appeared in various print and online publications, including Newsday, the Long Island Press and Long Island Business News. His goal is to take complex, nuanced policy issues and make them approachable to those outside of the field. Professionally, Murdocco is a grant writer with a regional nonprofit. His grants have totaled $2.5 million from private and government sources.

Dr. Stephen V. Musolino is a Certified Health Physicist at the United States Department of Energy’s (DOE) Brookhaven National Laboratory (BNL) in Upton, New York and a scientist in the Nonproliferation and National Security Department with more than 30 years of experience in Health Physics. His research interests are in nonproliferation, counterterrorism, and planning for response to the consequences of radiological and nuclear terrorism. Since 1981, he has been part of the DOE Radiological Assistance Program as a Team Captain/Team Scientist and has been involved in developing radiological emergency response plans and procedures as well as participating in a wide range of radiological and nuclear exercises and field deployments. During the Fukushima crisis, he was deployed as an Assessment Scientist to the DOE Consequence Management Home Team and subsequently with the DOE response team in Japan. Dr. Musolino is a Fellow of the Health Physics Society, a member of the National Council on Radiation Protection and Measurements, and a Distinguished Alumnus of the Buffalo State College. In addition, he serves as a member of the editorial board of the journal Health Physics. He earned a Bachelor Degree in Engineering Technology from Buffalo State College (1976), a Master of Science degree in Nuclear Engineering from Polytechnic Institute of New York University (1982), and a Doctorate in Health Physics from the Georgia Institute of Technology (1989). He is certified by the American Board of Health Physics (1986).
3. **ANNUAL CONFERENCE REGISTRATION**  
- - continued from previous page - -

**BUSINESS CONTINUITY PLANNING**  
Friday, April 12, 2013 . . . All-Day Program

Check-in and breakfast begin at 8:30 a.m. Annual chapter elections will be held at 9:00 AM with the seminar beginning directly thereafter at 9:10 AM. Lunch will be served at approximately 12:30 p.m.  
**Dress is business casual**  -  ( 8 CPE / CPD credits )

Please use the following on-line registration link: http://www.cvent.com/d/4cqvtj/1Q If you are having trouble with the link, notify **Roy Garbarino** at longislandiiia@yahoo.com or call Roy at 631-698-7000 x 3697

**For making payments offline:**
You should register on-line (above) and in the payment section, select “check” or “other.” If not registering online, contact us at LongIslandIIA@yahoo.com or call **Roy Garbarino** at 631-698-7000 ext.3697 at least 24 hours before to reserve your seat. Then complete and enclose this registration form along with your check made payable to the IIA Long Island Chapter and mail to: Institute of Internal Auditors LI P.O. Box 442, Smithtown, New York 11787 or bring it the day of the seminar.

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<th>Non Member $220 Each</th>
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Company Name: ____________________________
Address: ____________________________
Phone #: ____________________________
E-Mail Address: ____________________________

**Directions to the Melville Marriott:**  
**From New York City:** Take the Long Island Expressway (Rte. 495) to Exit 49 South. Take the Ramp (right) onto the South Service Road. Turn left (North) onto Old Walt Whitman Road (Walt Whitman Road).

**From Eastern L.I.** Take the Long Island Expressway (Rte. 495) to Exit 49 North. Take the Ramp (right) onto the North Service Road. Turn right (North) onto Old Walt Whitman Road (Walt Whitman Road).

**Melville Marriott** phone number for weather emergency: (631) 423-1600
4. CERTIFICATION, TRAINING & WEBINAR NEWS

Gary Jendras, our Chapter CIA Chairperson, is available to answer any questions you may have on the CIA exam – including study materials and the CIA exam itself. We solicit the experience of chapter members who have recently taken the exam, and look forward to hearing from those attaining Certified Internal Auditor (CIA) or related certifications. You can Email Gary at <gjendras@bethpagefcu.com> or call him at 516.349.6721.

The IIA’s CIA Learning System
Slogan for the IIA’s CIA Learning System is “Prepare To Pass”. With an array of personalized training options this IIA System is the solution to those seeking the best way to prepare for the Certified Internal Auditor exam. Combining printed books and interactive online study tools with optional live and online courses to ensure you are prepared to pass the CIA exam. Your choice determines the training option, study time and place. For additional information, recommendations of those who have used the system or to order your own CIA LEARNING SYSTEM visit: www.LearnCIA.com – or – call: 877.442.2425. You can try a demo of the CIA LEARNING SYSTEM online by accessing the above website.

Where do Exam Questions Come From?
Most exam questions are conceived in the field by IIA-certified professionals. These professionals satisfy the ongoing need for dynamic, challenging, and relevant exam questions for all our high stakes exams. The questions developed through this process enhance the certification exam process and contribute to the professionalism of those seeking to receive a designation. In order to develop exams The IIA seeks IIA-certified professionals to participate in the exam question authoring process. Teresa Ward, CIA, CPA, CBA, director of internal audit for Mutual of Omaha, has contributed several questions to the CIA exam through the "Test Development Team" she champions, and said, “Writing exam questions is a great way to give back to the profession and help shape the future of internal auditing. As a certificate holder, you can contribute questions individually or as part of team at your local chapter. Working as part of a team allows for collaboration and peer review, plus it is a great networking opportunity.” Anyone holding an IIA designation can apply to be an exam question writer, but don’t let the prospect of writing exam questions be intimidating. John Servage, CIA, CCSA, CGAP, CRMA, risk and assurance consultant and former member of The IIA’s Exam Development Committee, had this to say to those skeptical about participating in the exam question writing process: “Remember, as a certification holder, you are already familiar with exam items from studying and writing your exam. Also, (The IIA provides you with) a number of...training and support services, including a writer’s guide and a website.” The IIA is also working on a number of web-based tutorials that will support prospective exam question writers.

In addition to your greatly appreciated contribution to the profession, a contributing writer can earn Chapter Achievement Program (CAP) points for your local chapter, continuing professional education (CPE) credits, and in some cases remuneration for accepted questions. We encourage you to take advantage of this opportunity to be recognized as a key contributor to the career of internal auditing. Still not sure? Servage invites you to “Please join us. I think you will surprise yourself on how much you actually know and have to contribute.” For information on how to participate, visit this link.

(editor’s note: This article appeared in the March Newsletter and has been re-published by request in the hopes Long Island Chapter members may become active in the preparation of IIA Exam Questions – good-luck!)
4. CERTIFICATION, TRAINING & WEBINAR NEWS

The IIA’s Webinar Training Program

Membership in the IIA affords access to new educational products, seminar offerings, and state-of-the-art conferences. Perhaps the best representation of these new offerings are the many ‘Members-Only’ monthly webinars – where up to 12 CPEs may be earned, with free CPE reporting. Check the IIA website for other on-going Webinar training programming. Please direct questions to ChapterRelations@theiia.org.

New “3-Part” CIA Exam Launch Update

As you probably know, The IIA is realigning exam content for those pursuing their Certified Internal Auditor (CIA) designation, and this year will be launching the eagerly anticipated 3-Part CIA exam. Registration officially opens on May 1, 2013 for those who wish to sit for the new 3-Part CIA exam when it becomes available on July 1, 2013. Watch your email for further information. The July 1st launch date of the new 3-Part exam coincides with the 40th Anniversary of the closing of the original Professional Experience Recognition period for the Certified Internal Auditor designation back in 1973. You are most welcome to join us celebrating the 40th Anniversary of The IIA’s flagship certification — the CIA — during the 2013 International Conference in Orlando. Better still, become certified in this anniversary year! Forty years after its introduction, the CIA designation remains the epitome of internal audit achievement and continues to be the only globally accepted internal audit credential. If you are in the midst of the exam process and not sure how the conversion to the new 3-Part exam will affect you, we have created the Transition Planning Tool especially for you. For the complete transition plan, please visit this page.

CRMA EXAM Launch Update

Following the same calendar as the newly revised CIA exam, registration to apply to sit for the new 2 part Certification in Risk Management Assurance (CRMA) exam opens on May 1, 2013 to begin sitting for the exam on July 1, 2013. The CRMA exam has another connection to the CIA exam, in that the CRMA requires a co-requisite of Part 1 of the CIA exam. Individuals who already have their CIA designation (in good standing) or have successfully passed Part 1 of the CIA exam who wish to earn the CRMA need only sit for the separate CRMA core exam, which will consist of 100 multiple choice questions covering four domains. In the few short years since its launch, the CRMA designation has become an important distinguishing feature that can elevate the professional stature of those who earn it. In fact, since its introduction in 2010, the designation has received unprecedented
participation from around the world through the Professional Experience Recognition (PER) period. More than 8,000 professionals have received the designation with more than 4,000 still pending approval. There has been broad global appeal for this designation with half of those conferred so far from outside North America. The PER is now closed to residents of North America; however, Global IIA members still have until March 31, 2013 to apply and April 30, 2013 to submit their documentation.

CRMA LOGO Merchandise Now Available

Now those who have earned the Certification in Risk Management Assurance (CRMA) as well as those who have the Certified Internal Auditor (CIA) designation can proudly display their achievement with a selection of high-quality items designed for the busy internal auditor. The IIA’s eStore carries an assortment of useful items, such as travel tumblers, flash drives, and leather accessories emblazoned with the CIA or CRMA logo. Global designation holders will be pleased to know the eStore can ship merchandise anywhere in the world. Has someone you know recently earned their CRMA or CIA designation? The leather padfolio would make an excellent and welcomed gift of recognition of their accomplishment. Any of these items would be appropriate as colleagues or staff members earn a new certification, or to reward someone whose accomplishment can now be appropriately recognized.

5. CERTIFICATION RECIPIENTS for 2012 & 2013 Chapter Year

Certification recipients from our Long Island Chapter are due congratulations from the officers, board and membership. During the 2012 thru 2013 Chapter year a total of 65 certifications were issued to 60 of our Chapter members ( Five members each received two different certifications in this period) . Presented below is a listing of Chapter Certification Recipients for this period. If you are a Certification Recipient, and in the unlikely case your name does not appear on this list, please contact Gary Jendras – ( the list is the ‘latest’ from National at time of Newsletter publication) - - - Again – Congratulations and best wishes for a successful career to the following Chapter Members - - -

CERTIFICATION in RISK MANAGEMENT ASSURANCE (CRMA) - - -
Dawn Arenella, Vanessa Barry, Paola Basso, Susan Becker, Biju Beegum, David Edward Bogdanski, Geraldine Brennen, Lucille M. Brower, Ennio E. Cavuoto, Vincent Colletti, Robert Colosa, Valerie Connors, Kitty W. Craig (also rec’d CFSA), Hatice Akyerli Dalton, Wafic Darwish, Margaret DeBonis, Richard Goolnick (also rec’d CFSA), Daniel E. Harris, Gary S. Jendras, Mindy R. Kaplan, Michael J. Lanning,
5. **CERTIFICATION RECIPIENTS for 2012 & 2013 Chapter Year**

**Continued:** **CERTIFICATION in RISK MANAGEMENT ASSURANCE (CRMA)**

Salvatore Lio, Michele DeMaria, Dean Desiano, Bernard J. Dillon,
Margot Fezza (also rec’d CCSA), Roy Garbarino, Michael Malone, William J. Mannix,
Rosina Manzi, Robert C. McNair, Robert Mensing, Maria R. Michaelson,
Frank Mucchi (also rec’d CIA), Viviana Picinic, Albert Plostins, Carmelina Portelli,
Paula Ragusa, Aimee M. Raziano, Laurie Rosenberg, Andrew Russo, George Rzasa,
Dawn M. Scala, Amanda Schellen, Richard Schmoll, Pembe Sefket, Alice Seoylemezian,
Rocky Shankar, Michelle Lyn Smith, Christopher A. Telano, Tricia M. Thomas-Hector,
Eileen Valerio, Kim M. Whiteside (also rec’d CIA) - - -

**CERTIFIED INTERNAL AUDITOR (CIA) - - -**

Stephen R. Behnken, James Gillen, Augustin H. Lima, Frank Mucchi (also rec’d CRMA),
Heidi A. Ragno, Kim M. Whiteside (also rec’d CRMA) - - -

**CERTIFIED FINAL SERVICES AUDITOR (CFSA) - - -**

Kitty W. Craig (also rec’d CRMA), Richard Goolnick (also rec’d CRMA),
Margaret DeBonis, Rickie Forte - - -

**CERTIFIED GOVERNMENT AUDITING PROFESSIONAL (CGAP) - - -**

Marco Dias - - -

**CERTIFIED CONTROL SELF-ASSESSMENT (CCSA) - - -**

Margot Fezza (also rec’d CRMA) - - -

6. **MARCH CONFERENCE SURVEY RAFFLE WINNER**

Congratulations to **Paul Gallo** – who is the Survey Response Winner for March! Paul was selected by random drawing from those who **COMPLETED** (must complete survey to be entered in drawing) and Emailed in response to the post-event survey for the March LI Chapter IIA Seminar. These surveys are very important to improving and keeping current with technical, venue and ‘menu’ aspects of our seminars – and – by the way, the award for ‘winning’ is a $50 gift card! Please watch your Email and complete the April survey.
7. **IIA LONG ISLAND CHAPTER MEETINGS & COMING EVENTS**

The Long Island Chapter has a full program of scheduled seminars offering CPE’s throughout the year. Listed below are the seminars, associated CPE’s, presentation dates and registration information thru the end of the chapter year. A full description of each seminar will be Emailed prior to each seminar to Chapter members. For information // questions contact: Chapter President **Roy Garbarino** at **631-698-7000 ext. 3697**.

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<tr>
<th>Date/Location</th>
<th>Format/ CPE/CPDs</th>
<th>Topic</th>
<th>Prices</th>
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<tr>
<td>April 12, 2013 Friday</td>
<td>Full Day (Breakfast and Lunch) 8 CPE/CPDs</td>
<td>- Annual Conference - Business Continuity Planning (see registration details in this issue)</td>
<td>Member - $170; Non-member - $220; Student - $30</td>
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<tr>
<td>Melville Marriott</td>
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<td>May 3, 2013 Friday – 7pm</td>
<td>Cocktails (7pm) Networking, Music, Prizes, Full-Dinner (8pm) - No CPEs -</td>
<td><strong>IIA LONG ISLAND CHAPTER YEAR-END DINNER</strong> (venue info &amp; registration details in this issue)</td>
<td>Member - $75; Member’s Guest - $50; Non-member - $75; Non-member Guest - $75</td>
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<td>TASTE 99 RESTAURANT – at</td>
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<tr>
<td>May 10, 2013 Friday</td>
<td>Full Day (Breakfast and Lunch) 8 CPE/CPDs</td>
<td>- Annual IT Audit Conference - (note: This meeting rescheduled from 2012 due to hurricane ‘Sandy’) (watch your Email for program/ registration details)</td>
<td>Member - $170; Non-member - $220; Student - $30</td>
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**OTHER MEETINGS of INTEREST**

**IIA International Conference - July 14 thru 17, 2013**

We are happy to announce The IIA’s 2013 International Conference theme:

**“One World, One Profession, One Destination.”**

The International Conference will be held July 14-17 (Sunday thru Wednesday) in Orlando, Florida

Additional Information can be obtained from the IIA website.
8. FRAUD STUFF: The FRAUD TRIANGLE ‘OPPORTUNITY’ LEG

‘FRAUD STUFF’... is a series of THE LONG ISLAND CHAPTER OF THE IIA
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The FRAUD TRIANGLE ‘OPPORTUNITY’ LEG

Discussed in the last Fraud Stuff column was an introduction to Donald Cressey and his famous “Fraud Triangle.” Now that an introduction has been delivered, this month’s column will be focused on one very important leg of the triangle; opportunity. However, before we delve into the ins and outs of what makes up opportunity according to Donald Cressey, last month we touched upon the six-basic categories of non-shareable problems which help individuals to rationalize their behavior. One might think these non-shareable problems would be better discussed in the column dedicated to rationalization but by knowing the six categories in the beginning, helps us to keep in mind what a fraudster might be thinking about when an opportunity presents itself.

Through Donald Cressey’s research, he found that the non-shareable problems encountered by the individuals he interviewed arose from the following six basic categories:

1. Violation of ascribed obligations – Individuals fall into this category when they hold a trusted position and high status which comes with an implied duty to act in a manner becoming of that status. When one gets into debt, or in over their head with financial obligations as a result of conduct that is “beneath them,” they feel unable to share this with their family and friends because they would have to admit to engaging in acts “beneath them.”

2. Problems resulting from personal failure – Individuals fall into this category when one feels they caused failure through their personal judgment.

3. Business reversals – Individuals fall into this category when one feels the problem is beyond their control and the fraudster sees their problems were caused from conditions like the economy and interest rates.

4. Physical isolation – Individuals fall into this category when one feels isolated from the rest of the world. They have no one to speak to regarding their issues and surrender to the fraud.

5. Status-gaining – This is commonly referred to as “keeping up with the joneses.” In the previous categories, the fraudster is more concerned with keeping ones status, but in this category they are concerned with making them look like a higher status.
6. Employer-employee relations – Individuals fall into this category when one feels that they are being reimbursed inadequate pay or from feeling overworked or under-appreciated. They resent their status at the organization in which they work but feel they cannot leave.

As we can see from the above six categories, they are all inclusive and really capture a variety of reasons why one would commit a fraud. Now that we have touched upon the above, we can now dive deep within the meaning of one of the legs of the “Fraud Triangle;” opportunity. It’s important to remember that all three elements of the triangle must be present for trust violation/fraud to occur.

Opportunity according to Dr. Cressey must be broken down into two components; general information and technical skill. General information is very simply stated the knowledge of the trust violated that they can use their position within the company to violate the trust given. This is just the fact the individual knows they can commit a fraud. Technical skill refers to the skills and abilities that one would need to commit the violation. To steal merchandise one might just need to be in good physical shape to carry the items to a truck and be able to drive. To perpetuate a check kitting scheme, one wouldn’t need to be in physical condition but must know how the banking system and accounting department works.

Some refer to opportunity as a formula in which it equates to the sum of perceived opportunity, ability to conceal the fraud, avoidance of it being discovered, and avoidance of it being punished. This formula shows how one would not believe they met the full element of opportunity unless there was potential to get away with the violation. This is due to the fact that within the formula is avoidance of it being discovered and being punished. Opportunities can come in all shapes and sizes; the following is a list and brief explanation of factors that cause opportunities within companies. This list is not all inclusive.

A. Lack of internal controls – Internal controls are designed to verify data is entered into the companies system accurately and without trouble. They act as a checks and balance system making sure numbers tie out and formulas work. When these controls are nonexistent, employees realize the company can’t monitor everything and find a way to perpetuate a fraud that there is no control for.

B. Inability to judge performance – This relates to the lack of internal controls in that if you can’t measure it you can’t judge and correct it. In this case the employer can’t judge the performance of its employees because they don’t keep track of their time spent on a certain project or they said they went somewhere else than the place they should have gone.
8. **FRAUD STUFF: The FRAUD TRIANGLE ‘OPPORTUNITY’ LEG**  
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**C.** Failure to discipline known fraudsters – Disciplining known fraudsters is an important task and should not be taken lightly because if employees see that fraudsters who were caught get a slap on the wrist, it would entice them to commit a violation of trust. A slap on the wrist punishment might be worth risking if the payoff is $50,000, or maybe even $500,000.

**D.** Lack of audit trails – A lack of audit trails relates to the first two opportunities listed. If the company doesn’t have a grasp on checking the way it wants certain aspects of the organization done, it can’t expect to catch all inconsistencies. Not having audit trails and employees knowing about this causes the employee to think they have the opportunity to get away with committing a violation.

In the next issue of Fraud Stuff we will examine in the ‘ins and outs’ of the second leg of the “Fraud Triangle,” PRESSURE.

9. **CHAPTER WEBSITE ‘NEW LOOK’**

Thanks to the hard work of Mindy Kaplan, our Chapter Webmaster, the Long Island Chapter’s website (http://www.theiia.org/chapters/index.cfm/home.page/cid/241) and the National IIA website (theiia.org) now work in tandem. Use of a standard template, prepared and maintained by corporate, permits feeding information (e.g., such as national ‘happenings’, twitters, etc.) automatically and aids coordination and control of ancillary content and processes in the LI website (e.g., format, housekeeping, font-size control, etc.). Most data on the HOME PAGE is “fed” through data input into the NEWS and EVENTS column. However, we can add “New Updates” after our chapter “Mission Statement” thus making it easier for readers to note new items added to events and news. Mindy sends a ‘Big Thanks’ to Roy Garbarino and Gary Jendras for their aid to get the support we needed to convert and update our website to its ‘New Look!’ CHECK IT OUT - - - We welcome the support from corporate and look forward to YOUR feedback!
APRIL CHAPTER MEMBERSHIP UPDATE

The IIA Long Island Chapter would like to thank you for your active participation in the past and we now look forward to seeing you again at our monthly meetings. The Chapter is holding at 408 members of which 403 have an active status. We are looking to increase our active membership and to support our members in IIA activities.

If you are currently part of a group membership or membership has lapsed, please check with your employer or if an individual membership go to:

https://na.theiia.org/membership/Pages/Membership.aspx

The IIA supports its members when they need it the most. If you are a current IIA member who has become unemployed, Bridge Membership allows you to continue receiving benefits:


Remember after each meeting event we look forward to obtaining your valued feedback so that we can meet the needs of our membership. At the present time, we have increased our response rate from 30% to 48% and now 55% on our survey results. With a little effort on your part we would like our feedback results to increase.

As an incentive, our chapter will award a $50.00 gift card to one participant who completes and submits the post event survey. The winner will be selected the following week on a random basis and the winner notified.

The IIA Long Island Chapter Board Members like to give special thanks to the following individuals; Biju Beegum and Sankar Bhaumik who responded to our survey and volunteered to serve on committees of their choice. Again, thank you for volunteering and we look forward to your valued input.

Until we meet again, be safe, and on behalf of the IIA Long Island Chapter, we like to wish you well.

Kind regards,
Bob McNair CIA, CRMA
VP Professional Development
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