



SOUTHERN
WISCONSIN
CHAPTER



Monthly Footnotes

FEBRUARY, 2011

VOLUME XI, ISSUE 7



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February Luncheon Meeting Welcome Members and Non-Members

TOPIC: The FBI Perspective on Detecting and Pursuing Fraud

SPEAKER: Neil Purtell

DATE: Thursday, February 24, 2011

REGISTRATION: 11:30 a.m. **LUNCH:** 11:45 a.m.

COST: \$6 for Members, \$12 for Non-Members

PLACE: Dayton Street Café (Inside the Concourse Hotel, 1 West Dayton Street)

MENU: Meals include soda, coffee, or tea

- **Salad Bar** – variety of salads, toppings, soups
- **Grilled Chicken** – grilled chicken, pesto mayo, mozzarella cheese, roasted tomatoes, lettuce on toasted ciabatta bred, with penne pasta salad
- **Traditional Burger** – dry-aged highland beef served with fries

RESERVATIONS

Please contact Sherri Voigt **by 10 a.m. on Monday, February 21, 2011** with your name, membership status, meal choice at sherri.voigt@wisconsin.gov or (608) 267-9818. If you need help getting a ride to lunch, please contact Sherri for car-pooling information.



NEW MEMBERS FIRST LUNCHEON MEETING

If you are a new member and this is your first luncheon, please note that when calling in your reservation. Your first chapter luncheon meeting is FREE!



ABOUT THIS MONTH'S SPEAKER

NEIL PURTELL retired from the FBI in 2002 after 30 years of service as a Supervisory Special Agent. At the time of his retirement he was responsible for the recovery of American Citizens who had been kidnapped by terrorist groups. Since he was an accountant, from his first days with the FBI he was deeply involved in financial investigations and the subsequent criminal prosecution. These investigations included mortgage and loan fraud as well as the laundering of money by drug organizations. He was the primary investigator on several major cases including Bank Failures and Public Corruption. He is a member of the Madison, WI Financial Crimes Investigators Association which shares financial training and patterns of criminal activity in an effort to prevent losses. In 1994 he was named the FBI Trainer of the year for his efforts in sharing what he had learned with other agencies.

Since his retirement he has trained counterterrorism taskforces throughout the country and in 2004 joined associated bank as the manager of security & financial investigations



PRESIDENTS MESSAGE

Sherri Voigt, CGFM, CPA



Are you in school? Do you have a kid in college? Check out the scholarships offered by AGA National Office! On offer are scholarships for full-time and part-time study for people considering a career in government financial management and one for for students involved in community service activities. The deadline is 3/31.

<http://www.agacgfm.org/membership/awards/>

We are getting caught up on lunch meeting notes in this issue. See page 3 for the October meeting with Representative Spencer Black and page 5 for the November meeting with James Hubing, Director, Henry Vilas Zoo.

As a follow-up note to our November speaker, where the topic was titled "Henry

Vilas Zoo–Open Every Day of the Year for Free–Financial Challenges," I asked about the open every day part. They are open mornings (8-12) on holidays. My dad and I made a visit on Thanksgiving. There weren't too many animals outside on that chilly day, but we got to go inside and enjoy the balmy rain forest exhibit and the giraffe building. The tiger and lions were outside.

As the speaker noted, lion pair Henry & Vilas were in the breeding program. They are now the 'proud parents' of a new cub. Check the Zoo out on Facebook; click "like" to get updates. (Cub naming contest kicks off 2/13)

<http://www.facebook.com/home.php#!/pages/Henry-Vilas-Zoo/48100984961>

Sherri V.



Back by Popular Demand Who says there's no free lunch?

Members Who Attend 3 Training Sessions
September through March
Earn a Free Lunch

Coupon Valid at the April or May Lunch

October Luncheon Meeting Representative Spencer Black October 27, 2010

As he was preparing to leave Wisconsin politics, Spencer Black was often asked, "Why are you leaving?" He says it is a better question than "Why are you staying?"

He entered into politics for environmental issues. Over his career, he helped get the Knowles-Nelson ideas going again and reinvigorate the message. The program was called the Knowles-Nelson Stewardship Fund. It protected half a million acres in the first 20 years, from large flowages to green spaces in urban areas. Rep. Black was on the forefront of recycling, an alien idea at the start. Now, 95% of WI citizens voluntarily recycle. This cuts down on new landfills and created 30,000 new jobs (labor substituted to recycle materials instead of using virgin materials.) Ground water quality has improved. We have tough laws on phosphorus run-off and nonpoint pollution.

Some other trends he noted over the course of his career:

- At the start of his career, smoking had no limits. A twelve-year-old could easily purchase cigarettes. Now, there is an age limit on purchases and a total ban on smoking in indoor work places

- Drunk driving used to be considered more of a "bummer if caught." There have been substantial changes in penalties and social acceptance.
- There has been a change from nursing homes for all care to blend of home care and assisted living.

Rep. Black also mentioned some trends he doesn't like as much:

- The huge amount of money in politics and how pervasive it is. He spent \$18,000 on his first campaign. Now, some campaigns cost \$2-3 million.
- Excessive partisanship... There should be parties that keep each other in check, but elected officials should not put party above state and country. The citizenship represented should be considered.
- The disappearance of press in the legislature: There used to be competition for seats at the capitol, but now there is little direct reporting.

He closed with a couple wishes for the future, including campaign finance reform (1 person – 1 vote instead of \$1 – 1 vote) a shift to using more renewable energy, sources, and reform in how often (and who performs) re-districting in the state.



**October Luncheon Photos
October 27, 2010**



Representative Spencer Black and Chapter Board member David Mellem



Representative Spencer Black (D)



Passionately Pink for the Cure Participants, left to right: Laurel Challoner, Sherri Voigt, David Mellem, Lori Platz, Joe Stertz, Bea Beasley, and Dolly O'Laughlin

**November Luncheon Meeting
James Hubing, Director, Henry Vilas Zoo
November 18, 2010**

The Animals

- Lions are highly endangered and there are few left in the wild. Breeding programs become very important to preserve the animals. They keep lineagedatabases to prevent inbreeding.
- Orangutans are endangered due to habitat loss. Look for sustainable palm oil labels (helps preserve habitat.)
- The 2 hump camel is extremely endangered and protection efforts are needed.
- Polar bears are in trouble since the need about 50 sea lions to eat per year. Right now, seals are in trouble since there is less ice (their required habitat)
- HVZ is a world leader in the conservation of endangered amphibians, including the tree dart frogs.
- Only 51 of 225 licensed zoos have red pandas. Our zoo is getting a female soon, so offspring are hoped for.

The Property & Finances

- Why free? Initially due to land deed stating to be “forever free.” It could be fought, but it is a matter of pride.
- The Henry Vilas Zoo (HVZ) has an indoor rain forest exhibit with 30’ waterfall open 10-4 daily. Make a visit in for a “winter pick-me-up.”
- 30 acres with 17 buildings; open every day of the year.
- Zoo used eco design on the kids zoo barn (water, materials, etc.)
- HVZ has an annual budget of \$2.2M (\$1M county, \$400K city, ~\$600K Zoological Society. They are working on an endowment fund.
- Conservation education is self funded. Bleacher programs offered for schools/ groups and zoo school in summer.
- Donation bucket collections equates to only 4¢ per visitor.
- The zoo has good luck with capital projects, especially when naming rights are offered.

**January Luncheon Meeting Photo
Annual Tax Update**

Mardee Blattner of Baker Tilley-Virchow Krause conducted the tax meeting. She covered all the highlights in tax laws that were extended, created, or have ended. A full handout is available in a .pdf file (contact Sherri Voigt)



National News



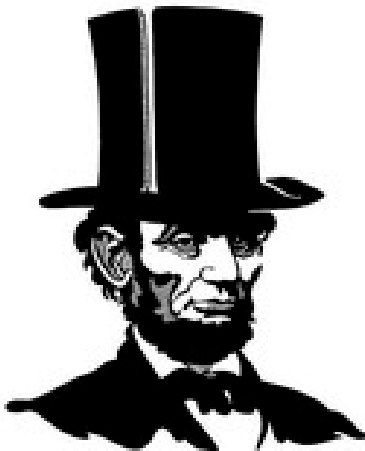
**National President
Lisa Casias, CPA**

From the National Office

Leadership Positions Available on National Boards and Committees

AGA is seeking candidates interested in filling vacancies on National boards and committees. Serving as a board or committee member might just be the most important contribution you will make to your own career and the profession. Take advantage now of this exceptional opportunity to:

- Contribute to the growth and success of your professional association
- Network with a dynamic group of accountability professionals
- Develop your leadership skills



- Develop solutions to meet present and future challenges
- Stay apprised of hot topics in financial management

Commitment—All board and committee terms begin each July 1. Board terms run for one, two or three years, depending on the board, and committee terms run for three years, with the exception of the conference committees, which run for one year.

Qualifications—If you are an AGA member in good standing, able to serve a full term of office, and can participate in board and committee conference call meetings, you are qualified to serve. [Specific qualifications for each committee are listed here.](#)

Learn more about the myriad of activities our boards and committees perform by [visiting the AGA website](#). The site contains the mission and objectives of boards and committees, further details about the commitment, and an online form that allows you to indicate which board or committee would make the best use of your qualifications and interests. If you prefer, you can contact [Louise Kapelewski](#) at 800.AGA.7211, ext. 321 for more information.

Please contact us by April 15, 2011, [using the online sign-up form](#). Your submission will be considered for vacancies on committees you are interested in.

AGA Boards

- Certificate of Excellence in Accountability Reporting Board
- Financial Management Standards Board
- Professional Certification Board
- Professional Ethics Board

AGA Committees

- Awards Committee
- Bylaws & Procedures Committee
- Emerging Issues Committee
- Finance & Budget Committee
- International Development Committee
- National Leadership Conference Committee
- Professional Development Conference Committee

Thank you for helping us serve the accountability profession and your Association. We look forward to working with you.

Committee Seeks National Award Nominations

AGA's National Awards Committee is now accepting nominations for 13 National Awards that recognize the leaders advancing our profession and setting the standards of excellence:

- [Robert W. King Memorial Award](#)
- [Einhorn-Gary Award](#)
- [Frank Greathouse Distinguished Leadership Award](#)
- [Achievement of the Year Award](#)
- [Educator Award](#)
- [Cornelius E. Tierney/Ernst & Young Research Award](#)
- [Chapter Education Award](#)
- [Chapter Service Award](#)
- [Community Service Award](#)
- [International Achievement Award](#)
- [Chapter CGFM Award](#)
- [Emerging Leader Award of Excellence](#)

These awards will be presented during AGA's 60th Annual Professional

Development Conference and Exposition in Atlanta, **July 10–13, 2011**. In many cases, individuals do not have to be members of AGA to be eligible. All nominations are due by Friday, **April 15, 2010**. Nomination forms are available online. For more information, contact [Louise Kapelewski](#).

CGFM Corner



Where Do I Start?

If you have already earned a college degree (bachelor's or higher) with 24 credit hours of courses in financial management or related topics (see Education Requirement below), apply for the CGFM Program now!

To apply:

1. Read the AGA's [Code of Ethics](#)
2. Fill out and submit the [CGFM Application Form](#), including a nonrefundable application fee of \$85.
3. Fax (703.562.0361) or mail to AGA (2208 Mt. Vernon Avenue, Alexandria, VA 22301) the required degree documentation (see Education Requirement below). Note: this documentation must be submitted within six months of submitting the application form.



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Articles

Federal News

Federal Government Recoups Record Amount in Medicare Fraud

Federal health officials recouped a record high \$4 billion last year in Medicare and Medicaid fraud and introduced tighter measures to clamp down on criminal activity in the future. More than half of the money has been returned to the Medicare Trust Fund. The findings are part of annual report released by the Department of Health and Human Services (HHS) and the Justice Department. The two agencies operate the Health Care Fraud Prevention and Enforcement Action Team, or HEAT, which has cracked down on abuse in the health care system. As of 2010, federal prosecutors have opened 1,116 criminal health care fraud investigations and filed criminal charges in 488 cases involving 931

defendants. A total of 726 defendants were convicted for health care fraud-related crimes in that time. HHS and its Medicare division last week also released new regulations requiring stricter screenings for health care providers, higher penalties for those who commit fraud, stoppage of payment for providers who are under investigation, and \$360 million in new funding to shore up on-the-ground efforts. —Matthew DoBias, *National Journal*. [Read more.](#)

CBO Projects Social Security Will be Drained by 2037

The nonpartisan Congressional Budget Office projects that if Congress does not act Social Security will run deficits every year until it eventually runs dry in about 2037. Once its \$2.5 trillion surplus hits zero in 2037, the program would collect enough money to repay about 78 percent of benefits. This year, the program is projected to take in \$45 billion less in payroll taxes than it pays out, a number that grows to \$130 billion when the new one-year cut in payroll taxes is included. Congress has





promised to repay the projected \$85 billion in lost revenue from the tax cut. Social Security is currently suffering from a slow economy that has payroll taxes decreasing and applicants for benefits increasing. Over the long term, the program will be strained as baby boomers retire in larger numbers. —ABC News. [Read more.](#)

Read CBO's [Budget and Economic Outlook: Fiscal Years 2011 Through 2021.](#)

State and Local News

How a Tennessee Town's Bond Bust Led to a Model State Debt Policy

State treasurers do not usually intervene in the debt decisions of local governments. But when Justin Wilson took over as Tennessee's comptroller in 2009, he saw no other way. Lewisburg, a small town south of Nashville, had become entangled in a risky municipal bond deal. The fallout from the transaction exposed weaknesses in the borrowing practices of many of Tennessee's small counties and cities. Wilson concluded he had no choice but to increase the state's oversight of local government debt transactions to protect Tennesseans from getting socked by sudden increases in borrowing costs. "We have to respond to a fundamental shift in the way in which local governments have

been paying for parks, schools and other public works projects," says Wilson. First, Wilson cracked down on high-risk interest rate swaps, a form of financial instrument known on Wall Street as a derivative. Then, in an effort that concluded last month, he developed a model debt management policy for local governments. The goal is to ensure that county and city officials—as well as Tennessee residents—clearly understand the risks of debt transactions and the fees paid to make them. —Stephen C. Fehr, *Stateline.org*. [Read more.](#)

California Controller Seeks More Power, Staff to Examine City Finances

State auditors say they have received dozens of reports suggesting that the kind of mismanagement and fraud found in Bell may be occurring elsewhere in the state and that they want new authority to launch investigations into possible wrongdoing. State Controller John Chiang is in discussions with Gov. Jerry Brown to give Chiang's office added legal tools and more staff to dig into the finances of cities and other municipal agencies, officials said at a legislative hearing Tuesday. Walter Barnes, chief of special projects for the controller's office, said his staff has received more than 50 tips about potential financial irregularities and other alleged misconduct in cities, counties and special districts. The tips suggest that "Bell may not be entirely unique," Barnes said. Some of the reports suggested criminal actions that are best handled by local prosecutors, Barnes said. But in other cases, he added, the controller wants to probe allegations that public funds have been misspent. "These are ones where it looks like a county or a city has done something that violates state law," Barnes said. "We are taking it seriously." —Patrick McGreevey, *Los Angeles Times*. [Read more.](#)



Moody's to Factor Pension Gaps in States' Ratings

Moody's Investors Service has begun to recalculate the states' debt burdens in a way that includes unfunded pensions, something states and others have ardently resisted until now. States do not now show their pension obligations—funded or not—on their audited financial statements. The board that issues accounting rules does not require them to. And while it has been working on possible changes to the pension accounting rules, investors have grown increasingly nervous about municipal bonds. Moody's new approach may now turn the tide in favor of more disclosure. The ratings agency said that in the future, it will add states' unfunded pension obligations together with the value of their bonds, and consider the totals when rating their credit. The new approach will be more comparable to how the agency rates corporate debt and sovereign debt. Moody's did not indicate whether states' credit ratings may rise or fall. Under its new method, Moody's found that the states with the biggest total indebtedness included Connecticut, Hawaii, Illinois, Kentucky, Massachusetts, Mississippi, New Jersey and Rhode Island. —Mary Williams Walsh, *The New York Times*. [Read more.](#)

New York State Seizes Finances of Nassau County

A state oversight board on Wednesday seized control of Nassau County's finances, saying the county, one of the nation's

wealthiest and most heavily taxed, had nonetheless failed to balance its \$2.7 billion budget. Many hard-hit local governments have flirted with insolvency because of revenue shortfalls caused by the recession, but the financial problems of Nassau, on Long Island, owed more to a failure by county officials to face up to tough economic reality responsibly and quickly enough, according to the state board. "The county's 2011 budget is built on a foundation of sand," a board member, George J. Marlin, said. —David M. Halbfinger, *The New York Times*. [Read more.](#)

Private Sector News

Job Outlook Survey Shows Positive Trends for Accounting Graduates

The National Association of Colleges and Employers (NACE) recently conducted its annual Job Outlook 2011 survey and found that hiring trends for 2011 graduates are looking positive. Some industries expect to hire more and employers reveal which majors they gravitate toward. The survey conducted by NACE reveals that employers are especially interested in students who majored in business, computer science, and engineering. These degrees, that can often be earned from online universities, which can be extremely convenient, can be beneficial to students since they are broad enough to encompass many careers but specialized enough to make the student an asset. The NACE survey found that 62 percent of employers plan to hire accounting majors this year and 57 percent plan to hire finance majors. Accounting and finance majors can work as accountants at large firms or corporations. Or they can even work in small business and non-profits. Some specialize in specific types of accounting or even taxes. With this kind of flexibility, accounting and finance graduates may have more options than majors in other fields. —AccountingWEB. [Read more.](#)

Accounting Standards News

FASAB Seeks Comments on Deferring SFFAS 38 for One Year

The Federal Accounting Standards Advisory Board (FASAB) is seeking input on [an exposure draft](#) of a Statement of Federal Financial Accounting Standards (SFFAS), Deferral of the Effective Date of SFFAS 38, *Accounting for Federal Oil and Gas Resources*. The exposure draft proposes to defer the effective date of SFFAS 38 for one year. If approved, the new effective date of SFFAS 38 would be for periods beginning after **Sept. 30, 2012**, that is, fiscal year 2013). The Department of the Interior's Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE, formerly part of the Minerals Management Service (MMS)) formally requested that FASAB consider deferring the effective date of SFFAS 38 for one year. BOEMRE's request explained that a variety of issues and challenges have arisen as a direct result of a major reorganization of MMS that will greatly complicate the implementation of SFFAS 38 for fiscal year 2012. Comments are due by **Feb. 7, 2011**.

Comments Due Feb. 11 on Technical Release Exposure Drafts

The [Implementation Guidance on the Accounting for the Disposal of General Property, Plant, & Equipment](#) (G-PP&E) exposure draft addresses important implementation questions and will lead to consistent accounting treatment for the disposal, retirement, or removal from service of general property, plant, and equipment as well as related cleanup



costs. [The Implementation Guide for Estimating the Historical Cost of G-PP&E](#) exposure draft addresses the historical cost estimating of G-PP&E. The guide provides direction on types of estimating methodologies and the documentation to support the valuation estimates of G-PP&E. Comments on both exposure drafts are requested by **Feb. 11, 2011**. For more information, contact [Monica Valentine](#) at 202.512.7362. All outstanding documents and requests for comment are available on the [FASAB website](#).



2011 Southern Wisconsin Chapter Officers and Directors

Pictured (left to right): front: Tom Scheidegger, Mary Laufenberg, Sherri Voigt, Dolly O’Laughlin; back: Roger Birkett, David Mellem, Lily Radivojevich, Carrie Ferguson



COMMENTS

Do you have feedback? Let us know what you like, what you hate, what we can do better! Contact the Newsletter Editor at radivojevich@co.dane.wi.us or the Chapter President at sherri.voigt@wisconsin.gov

ARE YOU MOVING?

If you are moving, or have already moved, please notify both your chapter and AGA National of your address change. You can update your address online at the national website: www.agacgfm.org/membership/form_address.htm



SHARE YOUR NEWS

Do you have some interesting news that your fellow chapter members may be interested in? If so, you are welcome (and encouraged) to submit an article to the Newsletter Editor at radivojevich@co.dane.wi.us. Deadline for submission of articles is the 25th of the month. Feel to send in topic suggestions or features to include.

Southern Wisconsin Chapter Calendar of Events for 2010-2011

August 31, 2010 – Board Meeting, Old Country Buffet, Madison

September 23, 2010 – Lunch Meeting, Tom Winkler, Government Accountability Board, Role of the Wisconsin Government Accountability Board, Dayton Street Café, Concourse Hotel

October 5, 2010 – Board Meeting, Old Country Buffet, Madison

October 27, 2010 – Lunch Meeting, Representative Spencer Black (D-Madison, WI), Dayton Street Café, Concourse Hotel

November 16, 2010 – Board Meeting Cancelled, Old Country Buffet, Madison

November 18, 2010 – Lunch Meeting, James Hubing, Director, Henry Vilas Zoo, Henry Vilas Zoo – Open Every Day of the Year for Free – Financial Challenges, Talula

December, 2010 – no Board Meeting or Lunch Meeting

January 4, 2011 – Board Meeting, Old Country Buffet, Madison

January 27, 2011 – Lunch Meeting, Annual Tax Update, Mardee L. Blattner, CPA, MST, Baker Tilley-Virchow Krause, Imperial Gardens Restaurant-East

February 10, 2011 – Board Meeting, Old Country Buffet, Madison, WI

February 24, 2011 – Lunch Meeting, Neil Purtell, The FBI Perspective on Detecting and Pursuing Fraud, Dayton Street Café, Concourse Hotel

March 1, 2011 – Board Meeting, Old Country Buffet, Madison

March 24, 2011 – Luncheon topic and location to be determined

April 5, 2011 – Board Meeting, Old Country Buffet, Madison

April 28, 2011 – Luncheon topic and location to be determined

May 1, 2011 – MS Walk 2011 (community service event)

May 3, 2011 – Board Meeting, Old Country Buffet, Madison

May 10, 2011 – *Annual Spring Symposium*

June 7, 2011 – Board Meeting, Old Country Buffet, Madison

June 9, 2011 – Luncheon topic and location to be determined

Note: Community service, VITA, and social events will be announced during the year.

AGA Southern Wisconsin Chapter 2011 Officers and Directors

President – Sherri Voigt, CGFM, CPA, DNR, sherri.voigt@wisconsin.gov, 608-267-9818

President Elect – Vacant

Past President – Eric Busse, DPI eric.busse@dpi.state.wi.us, 608-267-9199

Chapter Recognition – Dolly O’Laughlin, olaughlin@co.dane.wi.us, 608-242-6314

Secretary – Vacant

Treasurer – Roger Birkett, CPA, jabirk@charter.net

Historian – David Mellem, CGFM, CIA, CISA, US DHHS OIG, david.mellem@oig.hhs.gov,
608-264-5415 ext 25

Membership Chair – David Mellem, CGFM, CIA, CISA, US DHHS OIG,
david.mellem@oig.hhs.gov, 608-264-5415 ext 25

Newsletter Editor – Lillian Radivojevich, radivojevich@co.dane.wi.us, 608-284-4801

Education Co-Chairs –

Mary Laufenberg, CGFM, CPA, DOR, mary.laufenberg@revenue.wi.gov, 608-266-1670

Carrie Ferguson, CPA, LAB, carrie.ferguson@legis.state.wi.us, 608-259-9839

Webmaster – Scott Thornton, scott@goochpages.com

Community Service Chair – Sherri Voigt, CGFM, CPA, DNR, sherri.voigt@wisconsin.gov

Research Coordinator & Liaison w/ Other Profession Organizations – Vacant

CGFM Chair – Vacant

Awards Chair – Vacant

Early Careers Chair – Vacant

Directors -

Eric Busse, DPI eric.busse@dpi.state.wi.us, 608-267-9199

Julie Gordon, CPA, UW System, jgordon@uwsa.edu, 608-263-4395

Thomas A. Scheidegger, CPA, thomas.scheidegger@bakertilly.com

Chapter Website – www.aga-wis.org

Chapter Address – PO Box 1454; Madison, WI 53701-1454



SOUTHERN WISCONSIN CHAPTER