



Kachina Chapter 28

International Right of Way Association

January, 2010

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OFFICER INSTALLATION FOR 2010



L. to R. Robert Sachs, SRWA, Vicki Chamberlin, RW-AMC, Jason Foster, Karen Williams, SRWA, Kathie Sholly, SRWA, RW-AMC. * Please note Mary Smith will be inducted at next Board meeting due to her inability to attend this day.



L to R: 2009 Chapter 28 President, Kathie Sholly, SRWA, RW-AMC and your 2010 Chapter 28 President, Karen Williams, SRWA.

ANNUAL RECOGNITION AWARD WINNERS

Special Services Award



Mary A. M. Smith
Director, Phoenix Office
Tierra Right of Way Services

Professional of the Year



Debra Carter, SRWA,
RW-RAC, RW-NAC
Universal Field Services

Employer of the Year



Larry J. Broyles, P.E.,
City Engineer
City of Glendale

Inside this issue:

President's Message	2
Federal Agency Update	3
Article - Change in Loan Docs	4/5
Education/Calendar/New Members	6/7
Article - Is your Chapter Protected?	8/9
IRWA & Chapter Announcements	10/11



Kachina Chapter 28 Newsletter!



Message from the President

Karen Williams, SR/WA

Happy New Year Kachina Chapter 28!! Here's to a year of good health, hope, and prosperity!

Let me begin by expressing my appreciation of all of you for your support of this chapter, its board members and this organization.

I have been trying to think of what to write about in my first President's Message. There are many of you that I have not had the opportunity to get to know. So, I have decided to take this first message and use it to introduce myself.

I am originally from Michigan where I was first introduced to the land development business. I moved to Arizona on August 1, 1981. Wow! Was it ever a shock when I stepped out of that air conditioned vehicle!

After recovering from the climate shock, I attended college then worked in the accounting field for several years. I returned to the world of real estate in 1987, when I went to work for the Arizona Department of Transportation. After spending ten years at ADOT, I moved to the Arizona Office of the Attorney General in the Transportation Section to work in the field of Eminent Domain. I left State service in 2005 for just under a year and worked for the City of Chandler in their Real Estate office. But, I missed the work that I did for this great State of Arizona, so I returned to the A.G.'s Office in 2006 where I am today.

I originally joined the IRWA in the late 80's. In the mid 90's I stepped away from the organization then rejoined in 2005. It has been great connecting with old friends and making new friends these past few years. This is one of the many benefits of membership and of serving on the board!

Right of Way professionals may move around and change employers on occasion but we remain in the business of serving people. Many of us have known each other for well over 20 years. I think that speaks volumes for our love of the profession and why we continue to strive to improve our knowledge base as well as to expand our credentials.

Over 1/3 of our chapter members have obtained their SR/WA Designation and fifteen R/W Certifications have been earned. We have 30 candidates working towards designation and certifications. Congratulations to all of you!

I look forward to serving as your Chapter President in this new year. I am fortunate to have working with me Mary Smith, Jason Foster, and Vicki Chamberlin. Kathie Sholly is a tough act to follow but I know she will be right in there with us. I also appreciate all of the Committee Chairs and members that dedicate their time to making this a better chapter.





Federal Agency Update
 A Public Real Estate Symposium
 Presented by the Appraisal Institute and the International Right of Way Association

2010 Federal Agency Update
Location: Flamingo, Las Vegas
Date: January 26-28, 2010!

Featured Keynote Speaker
Tuesday, January 26, 2010



Ron Sims
 Deputy Secretary
 U.S. Department of Housing
 & Urban Development

Featured Luncheon Speaker
Tuesday, January 26, 2010



Scott Whiteford
 Director of Real Estate
 U.S. Army Corps of Engineers

Featured Luncheon Speaker
Wednesday, January 27, 2010



Gloria M. Shepherd
 Associate Administrator for Planning,
 Environment and Realty
 Federal Highway Administration

*** Sustainable Communities * Green Infrastructure**
*** Transit Oriented Development**

These are priorities for our Federal Partners and our nation. With billions of dollars tied to public projects, keeping up with regulatory changes is crucial. The Federal Agency Update gives attendees unparalleled access to the U.S. Federal agency representatives, consultants and other right of way entities.



CHANGES IN LOAN AND CLOSING DOCUMENTS

Submitted by Lee Lynch, Empire West Title Agency

In the past, owner occupant borrowers/buyers would be given estimated costs by their lenders, but they were truly estimates. At close of escrow the borrower might be informed that loan costs and annual percentage rate (actual interest expense) had risen substantially. With closing of the transaction or refinance of utmost important to the borrower, most closings went ahead with the increased costs being shouldered by the borrowers. These actions were abuses of the lending process and federal legislation was passed which was designed to protect borrowers. Effective January 1, 2010 new procedures will be implemented.

Here is how the new process works. Three days after loan application information is provided to the loan originator, a Good Faith Estimate (GFE) and a Truth-in-Lending (TIL) statement must be sent to the borrower. Generally, the GFE states the costs and general terms of the loan to be provided while the TIL informs the borrower of the annual percentage rate (APR) of the loan. The borrower must wait seven days from the date the GFE and TIL are sent before closing. This period is to ensure that the borrower has ample time to compare the terms provided on the GFE and TIL with offers from other lenders. The offer from the lender to the borrower must remain on the table for ten days from the mailing of the GFE and TIL. After the ten day period, the lender may withdraw the terms presented on the two documents.

If the annual percentage rate changes more than $1/8^{\text{th}}$ of one percent, the lender must send a new TIL to the borrower three days or more before consummation (signing) of the loan.

At close of escrow the estimated costs on the GFE are compared to the actual costs on the HUD – 1 (the final statement to the borrower of all costs of the transaction). Costs are broken into three categories, one that tolerates no change, one that allows change up to 10%, and one that allows unlimited change. Any increase in costs that exceeds allowable limits must be refunded to the borrower by the lender, either at close of escrow or within thirty days after close of escrow.

This is the most profound change to the closing process in over 30 years. While the early stages of the implementation will be difficult, it will afford much needed benefits and protections to borrower.

The procedures outlined above are for the protection of borrowers/buyers of owner occupant properties. They do not apply to sellers of any types of property or to commercial buyers and sellers.



Membership dues
are due 12/31/09!

To advance in my career,
does it matter who I
associate with?

Absolutely.

For 75 years the IRWA has been setting the standard in education for the Right of Way profession. With chapters throughout the U.S. & Canada and a growing list of online courses, preparing yourself for a career in Right of Way is convenient and at your fingertips.

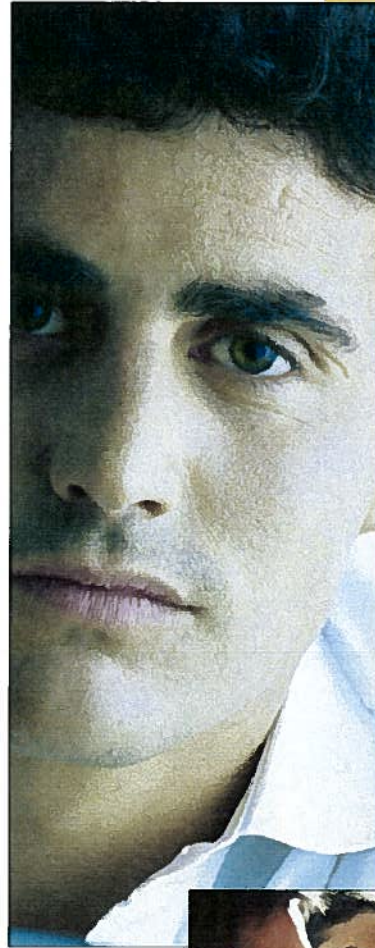
Demonstrate your commitment to success and uncompromising professionalism by earning your Certification in 6 Right of Way disciplines; **Appraisal; Asset (Property) Management; Environmental; Negotiation/Acquisition and Relocation Assistance**, our new **Uniform Relocation Act** and the prestigious **SR/WA designation** (Senior Member, International Right of Way Association).

Learn. Lead. Advance.

Become a member today by visiting
www.irwaonline.org or by calling
1-310-538-0233 ext. 134.



INTERNATIONAL RIGHT OF WAY ASSOCIATION





IRWA

INTERNATIONAL RIGHT OF WAY ASSOCIATION

Education Schedule ~ Chapter 28

January

Communications in Real Estate Acquisition - 201

January 13 –15, 2010 - This course is intended for right of way practitioners who wish to use practical/actual information and role play of actual acquisition interviews to enhance their communication and negotiation skills.

Facilitator - Carol Brooks, SR/WA Time: 8am - 5pm

Coordinator: Jason Foster / 602.328.1959 / jason.foster@aps.com

Location: Arizona Public Service (APS)

10025 N. 21st Avenue, Building L, Phoenix, AZ 85021

March

Property Descriptions - 902

March 12, 2010 - This course provides participants with a working knowledge of plotting and interpreting property descriptions. The course has been designed to provide "hands-on" experience in working with property descriptions.

Facilitator: Lee Aitken, SRWA Time: 8am - 5pm

**LOCATION: City of Glendale - Public Safety City Court Complex,
Police Administration / 6835 N. 57th Drive / Glendale, AZ 85301**

Coordinator: Vicki Chamberlin / 602.262.6739 / vicki.chamberlin@phoenix.gov

Requirements: Please bring Mechanical Pencil and Handheld Calculator to class.

(check website for more information)

**Check International Education Schedule
@ www.irwaonline.org**



\$100 Discount Coupon

Redeemable for IRWA Kachina
Chapter 28 Course Tuition

Members Name: _____

*Must be a Member of Chapter 28
and attend Three Member Meeting Luncheons*

Executive Board Member signature	Date

Coupon expires one (1) year from latest date above



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Executive Board Member signature	Date

Coupon expires one (1) year from latest date above

Attend three Member meetings? \$100 off your next IRWA education course!!!

Start saving next meeting!!!



January, 2010



Sun	Mon	Tue	Wed	Thu	Fri	Sat	Schedule of Events
3	4	5	6	7	8	9	Executive Board meeting to review 2010 Budget. See website for details.
10	11	12	13	14	15	16	Board meeting at Attorney General's office, 1275 W. Washington, Phoenix. See website for further details.
17	18	19	20	21	22	23	2010 Federal Agency Update! Las Vegas, NV.
24	25	26	27	28	29	30	Newsletter articles due!
31							

A HAPPY
NEW YEAR

Welcome New Members

Eric Z Sinay
Appraisal Technology

Gordon McDaniel
SRP



Chapter 28, February Member meeting and luncheon -

Date: 02/09/2010. **Venue:** Hometown Buffet (American Food), 1312 N. Scottsdale Road, Scottsdale

Speaker: **Cal Pepper, Central Arizona Project (CAP)**

Presentation: [The Central Arizona Project \(Who we are\).](#)

Cal Pepper began his right of way career in 1969 working as a draftsman for the Arizona Department of Transportation. There he held various positions in the Right of Way Division and spent the last 7 years as the Deputy Chief Right of Way Agent. He retired from ADOT in 2000 after 31 years of service. He then went to work for Tierra Right of Way Services where he was the Director of the Phoenix office, until 2007. He currently holds the position of Supervisor of the Lands and Records Department at the Central Arizona Water Conservation District (aka Central Arizona Project).



“Is Your Chapter Protected”?

Submitted by Mark A. Keller, SR/WA, ASA



Background: Today’s headlines routinely read: “Girl Scout Troop Leader is arrested for Embezzling Troop Funds” “Police: Embezzled Money Used for basketball.” “State’s Former Veteran’s Department Chief Indicted”

Embezzlement and misappropriation of funds, cover-up, and inappropriate hiring practices are common throughout profit and non-profit organizations. These are some growth areas of fraud that are draining the resources of today’s organizations. The main cause is misplaced trust. Trust is a strong bind within organizations and is often misused. This paper presents current situations and their relevance to International Right of Way (hereinafter IRWA) Chapters, with respect to proper safeguarding of assets.

According to Jan Miller in “Non-Profit Fraud”, Non-profits had the second highest median loss (\$100,000 per fraud occurrence) of the organizations studied. The culture of a non-profit is one of utmost trust, and the general perception is one that all members, officers, and workers are ethical and trustworthy. It is this type of environment that fosters dishonesty resulting from inadequate internal controls and separation of duties. Stephanie Strom highlights this phenomenon in “Report Sketches Crime Costing Billions: Theft from Charities” with a case involving a volunteer treasurer of the Madison County Humane Society in Indiana. The treasurer was charged this month with using \$65,000 of the charity’s money to buy jewelry and makeup. Furthermore, the report found that the typical theft from a charity was committed by a female employee with no criminal record, who earned less than \$50,000 per year, and worked at the non-profit at least three years. The amount stolen was less than \$40,000. Lastly, the most grievous cases involved male executives earning \$100,000 to \$149,000 per year who had been typically employed longer. 2006 statistics highlight that almost \$40 billion or roughly 13% of the total \$300 billion given annually to charities was embezzled.

IRWA chapter case scenario: The above cases and statistics are alarming and present a challenge for all IRWA Chapters. The following questions need to be asked: Whom can you trust? Are your Chapter’s accounting procedures and internal controls in order? Any signs of trouble?

After thinking about the above questions, please consider a formal review of the following potential areas of concern related to Chapter functions: * Background check of officers, committee members, and contracted vendors. * Separation of duties. * One bank account. * Signature cards and signing authority. * Bonding of officers and committee members. * Website and domain name security measures. * QuickBooks or other recognized accounting program. * Security measures in place if using payment services such as Pay Pal Records retention and safeguarding. * New officers succession plan. * Established By-laws and procedures * Annual audit plan and review

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The above considerations are basic items, that if put in place according to internal auditors and forensic accountants, can go far in preventing fraud and problems. A lack of proper internal controls and separation of duties can result in disaster for IRWA Chapters. The following IRWA Chapter case scenario illustrates unintended consequences of trust. The Chapter in question had a former troubled officer, who had performed duties flawlessly until unfortunate personal problems occurred. This officer maintained the website, newsletter, Pay Pal account, tax preparation, and annual seminar duties. Basically, unconditional trust was placed in this former Chapter officer, and no back-up was provided or separation of duties existed. The other Chapter officers blindly relied on this person to conscientiously perform their duty as a trusted officer.

As the adage goes, 'There is something rotten in Denmark' and indeed there was in the Chapter's case. The problems of this system became apparent with noticeable changes in the commitment, personality, and behavior of the former chapter officer. This officer at times became belligerent, hostile, and demonstrated a disrespectful attitude to other chapter officers and members when questioned. According to forensic accountants, this is the tell-tale sign of trouble, and indeed things were about to unravel.

Problems surfaced when the Educational Chair reviewed revenue and expenses over a period of several years and noticed inconsistencies. These inconsistencies and patterns revealed systematic deposits and withdrawals to an unauthorized account. The frequency was consistent with a pattern of education classes, year-end, and appointment of new officers. Subsequently, a formal review of all accounts, passwords, domain name, and records was performed. An outside team including a CPA, attorney, and website consultant, as well as Chapter officers were able to re-construct the fraudulent scheme. After exhaustive research, it was determined that a significant amount of the Chapter funds had been embezzled.

Outcome: Hard work and determination eventually resulted in a favorable ending to this unfortunate situation.

The Chapter has initiated the following: * Separation of duties, including website and newsletter editors.

- * Checks and balances for checking accounts and signing authority.
- * One checking account with signature cards.
- * Chapter has own domain name.
- * Electronic credit card processing of payments through IRWA Headquarters.
- * Annual audit by CPA.
- * Utilization of QuickBooks with monthly and annual reconciliation.
- * Active role of all officers.
- * Updated by-laws and procedures.

The chapter has recovered the embezzled funds, along with all associated fees. Furthermore, the former troubled Chapter officer has been prosecuted criminally.

Conclusion: The most important concept to consider is to formulate and implement a system of internal controls with many checks and balances. One must review the organizational structure and duties to avoid carte blanche trust in any one officer or member because it takes a team of Chapter officers to get the job done. Former President Ronald Reagan said, "Trust but verify"! Lastly, please ask yourself, "Is Your Chapter Protected"? (Mark A. Keller, SRWA, ASA is a member of Kachina Chapter 28 located in Phoenix, Arizona).



Chapter 28 Members

**Are you interested in becoming
an IRWA Facilitator ?**

Act now!

IRWA HQ is holding a **Facilitator Clinic on June 27 - June 30**, in conjunction with the Annual International Education Conference in Calgary. Seating is limited and by Invitation Only. Full details on the Clinic, how to apply, and possible reimbursement of costs by the Chapter are available at our website. www.irwachapter28.org.

Thank you,
Mary A.M. Smith
Secretary
IRWA Kachina Chapter 28
secretary@irwachapter28.org



IRWA's 56th Annual International Education Conference

NO BOUNDARIES

June 27 - June 30, 2010



**CALGARY
2010**

Conference Location



**Calgary Telus Convention Center
120-9th Avenue S.E.
Calgary, Alberta T2G 0P3**



Work Wanted....

THE RIGHT-OF-WAY AGENT YOU'VE BEEN LOOKING FOR!!

I am looking to put my skills and experience hard to work for you and your company. From title research to negotiations, from near to far. Wind farms, Electric Transmission, Telecommunications, Pipelines, Roads...you name I can do it! I have experience in the Dakotas, Iowa and Minnesota, I am moving to the Phoenix area and am now looking to add Arizona to my list. I have a Minnesota Real Estate Sales License and I am a Notary in MN and IA and the VP/Treasurer of Chapter 20 in MN. Short Term or Long Term - just ask to see my resume and let's set up a meeting!

Thank You!!

Jamie McIntyre 612-840-0990 jjmcintyre@comcast.net

February Newsletter Articles....

Do you have a job to post? A job wanted? Any other information to post to the Chapter 28 Newsletter that is worthy news in our industries?

Submit Now!!!!

Email: newsletter@irwachapter28.org

