Course Number:  ACCT 5340.w01
Course Name:  Forensic Accounting
Delivery:  Web-based (on-line)
Instructor:  Donald R. Deis, Ph.D., CFE, CPA
Joslin Endowed Chair in Accounting
Office:  OCNR 387
Office Phone:  (361) 825-2826
Office Hours:  M:  2:00 – 4:00 PM  
T:  2:00 – 4:00 PM  
R:  9:30-11:30 AM  
or by appointment
Audimation Services, Inc.: IDEA Version Eight Workbook (for academics)  
Order direct from Automation Services Inc. using order form at the end of this syllabus – cost is approximately $35, shipping cost is extra. It is possible that we will use Picalo (free download at www.picalo.org ) and ACL Desktop Educational Edition Version 9.
Readings and other materials on Island Online Blackboard 9.1 (Bb9.1).
Prerequisites:  Graduate standing and ACCT 3340, Fraud Examination or ACCT 4311, Auditing Principles or equivalent.

Course Description:
The course will cover the concepts and skills of forensic accounting investigations. Course focuses on the methods and technological tools used to detect occupational fraud including the steps in conducting an investigation, use of technological tools, witness and suspect interviewing techniques, investigation report writing, and expert testimony.

Learning Objectives:
By the end of this course, the students will be able to demonstrate:
• an understanding of the traits of the most common occupational fraud schemes,
• knowledge of the steps necessary to conduct a forensic accounting investigation,
• the ability to use technological tools commonly used in forensic accounting, and
• questioning and interviewing skills used in conducting forensic accounting investigations.

Relationship to Other Coursework:
This course builds on prior coursework in the fraud examination and auditing areas. It builds on ACCT 3340, Fraud Examination, which covers the psychology of occupational fraud and the analysis of the most common occupational fraud schemes. It builds on ACCT 4311, Auditing, which covers the concepts of audit examinations conducted in the typical case where fraud is not suspected. This course complements ACCT 3340 and 4311 by covering the techniques necessary to conduct investigations when fraud is suspected. Consequently, it represents a highly specialized form of auditing that uses
unique audit approaches, technological tools, and other investigation techniques commonly referred to as “forensic accounting.” All major accounting firms now have forensic accounting groups that are called in upon the discovery of suspected fraud. Moreover, the Public Company Accounting Oversight Board (PCAOB), charged by Congress with the oversight of all registered public accounting firms, is proposing that every audit team on a publicly traded client have a forensic accountant as one its members.

**Instructional Methodology:**
This class is online. It consists of review of materials online, short online quizzes to reinforce the material, case studies, and online discussion.

Students will conduct a set of financial statement data analysis projects using technological tools commonly used in practice.

Each student will participate in discussion boards set up by the course instructor to cover selected forensic accounting topics.

Students will conduct a data analysis project in the area of accounts receivable, accounts payable, inventory, or financial statement fraud using technological tools commonly used in practice (e.g., IDEA, ACL, Excel). Following completion of the assignment, students will turn in selected software program printouts and analysis as indicated by the assignments. The software programs are available with the textbook (ACL), from Audimation Inc. (IDEA), and Bb (Excel worksheets and data files). IDEA and ACL are also available in the O’Connor Building Computer Labs located on the second floor of the O’Connor Building.

**Performance Evaluation and Grading:**
Student performance evaluation may be based on Bb participation, quizzes, data analysis assignments, and other assignments. The relative weight of each of these components is as follows:

- Online Quizzes (n=10) 50%
- Forensic Data Analysis Exercises using IDEA, ACL, or Picalo 20%
- Financial Analysis Exercises using annual reports 20%
- Fraud Scheme Analysis 10%

Total 100%

**Bb9.1 Submission of assignments:** Use Bb9.1 to submit all student assignments (financial analysis project and management accounting mini-cases) to the instructor.

**Filename convention for all assignments.** Course#_assignment#_yourlastname naming convention for submission of all assignments. Example, exercise#1 (EXER1) submitted by Ronnie Arrow should be named “ACCT5340_EXER1_Arrow.”

**Assignment Grades & Feedback.** I will provide feedback and assignment grades by email within Bb. A letter grade will be determined based on the percentage earned as follows: A: 90-100%; B: 80-89%; C: 70-79%; D: 60-69%; F: 0-59%. In some instances, a curve may be applied in determining letter grades.

**Oral and Written Communication Content:**
This is an online course using Bb9.1.
Technology Application:
Students are expected to be able to use the library’s electronic search applications (e.g., ABI/Inform and Business Source Complete), Microsoft Office applications, and Bb. Presentation technology (e.g., PowerPoint) will be required of all students. Students will conduct a project using data mining software (e.g., IDEA).

Global Perspectives:
The globalization of many companies raises the issue of an accountant's ability to deal with different cultures, languages, management systems, etc. Discussions of international business and accounting will take place at various times during the course.

Demographic Diversity Perspectives:
This course will not specifically address the issue of demographic diversity. Although it is an important aspect of being a manager, it is not as directly related to the accounting function.

Political, Social, Legal, Regulatory and Environmental Perspectives:
This course will not deal with political and social concerns specifically but will on occasion discuss legal, regulatory and environmental issues of concern to accountants. Ethical considerations are discussed throughout the course with respect to accounting procedures and fraud examinations.

Attendance Policy:
Class attendance is required for the periods identified by the instructor. Many classes will be conducted online. Please contact the instructor before class by email or phone, if possible, in the event that you are unable to attend class.

Dropping Class:
I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with me before you decide to drop to be sure it is the best thing to do. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation WILL NOT automatically result in your being dropped from the class. April 12, 2013 is the last day to drop a class with an automatic grade of “W” this term.

Grade Appeals:
As stated in University Rule 13.02.99.C2, Student Grade Appeals, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Rule 13.02.99.C2, Student Grade Appeals, and University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at http://www.tamucc.edu/provost/university_rules/index.html. For assistance and/or guidance in the grade appeal process, students may contact the Office of Student Affairs.
Academic Honesty:

University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, forgery, or plagiarism. (Plagiarism is the presentation of the work of another as one’s own work.)

Code of Ethics

This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at www.cob.tamucc.edu). Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.

Disabilities Accommodations:

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in CCH116.

If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.
## COURSE OUTLINE*

<table>
<thead>
<tr>
<th>Week</th>
<th>Chapter &amp; Other readings</th>
<th>Assignments</th>
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</thead>
<tbody>
<tr>
<td>Module 1: Introduction to Forensic Accounting</td>
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</table>
| **Week 1** | Ch. 1: Introduction to forensic accounting and fraud examination  
Article: “Survival of the Analytically Fit: The DNA of an Effective Forensic Accountant”  
Article: “Snapshot of Workplace Fraud”  
Ch. 2: The forensic accounting legal environment  
Article: “Basic Legal Concepts” | Quiz 1 |
| Module 2: Fraud Examination Theory, Practice and Methods |
| **Week 2** | Ch. 5: Fraud prevention and management  
Video: “How to Guard Against Fraud”  
Ch. 6: Fraud detection | Quiz 2 |
| Module 3: Fraud Investigation |
| **Week 3** | Ch. 7: The fraud investigation and engagement process  
Article: “When You Suspect Fraud”  
“The Fraud Examiners” | Quiz 3 |
| **Week 4** | Ch. 8: The evidence collection process  
Article: “Recovery of Embezzled Assets Half a World Away” | |
| **Week 5** | Ch. 9: Fraud examination evidence I: physical, documentary, and observational evidence | |
| **Week 6** | Ch. 10: Fraud examination evidence II: Interview and interrogation methods  
Article: “Common Question-Evasion Tactics”  
“Rules for the Written Record” | IDEA Exercise: Perform steps in IDEA Case Study provided online |
| **Week 7** | Ch. 11: Fraud examination evidence III: Forensic science and computer forensics | Quiz 4 |
| **Week 8** | CH. 12: The fraud report, litigation, and the recovery process.  
Articles: “So You Want to Be an Expert Witness” | Quiz 5 |
<p>| Module 4: Occupational and Organizational Fraud |</p>
<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Reading/Article</th>
<th>Assignment</th>
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<tbody>
<tr>
<td>9-10</td>
<td>Ch. 13: Employee, vendor, and other frauds against the organization</td>
<td>Article: “Selecting the Right Investigative Resource”</td>
<td>IDEA workbook:</td>
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<td>Section 2: “Accounts Receivable Audit”</td>
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<td>Section 3: “Accounts Payable Audit and Fraud Investigation”</td>
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<td>Section 4: “Inventory Analysis”</td>
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<td>Quiz 6</td>
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<td>Start: Financial Analysis Exercise—using selected corporate annual reports and Excel worksheets.</td>
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<td>Quiz 7</td>
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<td>Module 5</td>
<td>Specialized Fraud Areas</td>
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<td>12</td>
<td>Ch. 16: Tax fraud</td>
<td>“IRS Issues 2010 List of ‘Dirty Dozen’ Tax Scams”</td>
<td>Quiz 8</td>
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<tr>
<td>13</td>
<td>Ch. 17: Bankruptcy, divorce, and identity theft</td>
<td>Article: “Phight Phraud”</td>
<td>Quiz 9</td>
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<tr>
<td>14</td>
<td>Ch. 18: Organized crime, counterterrorism, and anti-money laundering</td>
<td>Article “Guard Against Cybertheft”</td>
<td>Quiz 10</td>
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*Subject to change at discretion of the instructor.*
## Financial Statement Project Companies for Risk Assessment & Earnings Management Models

(each student team selects one of the companies below)

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<tr>
<th>Company</th>
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<th>Website</th>
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<tr>
<td>P.F. Chang’s</td>
<td>PFCB</td>
<td><a href="http://www.pfchangs.com">http://www.pfchangs.com</a></td>
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Refer to instructions for project provided by course instructor.
Student Information Sheet (please complete and turn in or email to instructor at Donald.deis@tamucc.edu)

Name:

Email address:

Name you would like to be called?:

Undergraduate degree from:

    Major:

Approximate # of accounting hours:    finance hours:

Professional Certifications Held:

Do you plan to take the CPA Exam?    Yes / No

Other certification I plan to pursue:

What is your current or recent employment?

Briefly describe your job responsibilities:

How does this course fit in your career plans (e.g., financial analyst, Big 4, commercial banking, investment banking, or management)?

Identify any areas of expertise or work experience that may be beneficial to this course (internship, math or statistics background, computer skills, etc.)
**Workbook Order Form - For Academics**

(Effective August 20, 2009)

Contact Name: ___________________________  Title: ___________________________

Organization: ________________________________________________________________

Address: _______________________________________________________________________

City: ___________________________  State: ___________________________

Telephone #: ___________________________  Fax #: ___________________________

Email Address for Contact: ____________________________________________________

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<th>Product Description</th>
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<tr>
<td>IDEA Version Eight Workbook</td>
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* Prices are subject to change

**Other purchasers are responsible for use tax

Payment Method:  
____ Check  Payable to:  Audimation Services, Inc  
_________________________  ___________________________

1250 Wood Branch Park Dr.  Ste 480  
Houston, Tx 77079

____ VISA  ____ Master Card  ____ American Express  ____ Discover

Card Number: ___________________________  Exp. Date: __________________

Name of Cardholder: ___________________________

Signature: ___________________________

**Return Policy: All Workbook Sales are Final and Non-Refundable**

Complete and submit directly to Audimation Services, Inc.