THE UNIVERSITY OF TEXAS AT AUSTIN

ACC F383K.4, Fraud Examination (unique no. 71380)

Course Syllabus
Summer 2013 (First Session)

Time and Location:

Mondays, Wednesdays and Fridays from 9:00 – 11:30 in GSB 2.120.

Instructor

Mark Bradshaw, J.D., M.P.A., M.B.A.
Consultant in Forensics, PwC; KPMG Professor in Residence (2007)
Office: GSB.5.124E; Ph.: 475-8852; E-mail: mark.bradshaw@mccombs.utexas.edu
Office hours: Wednesdays from 8:00 – 8:45 and by appointment.

I generally prefer e-mail as a means of contact outside of class and office hours.

Teaching Assistant

Sean Escoffery
E-mail: sean.escoffery@mpa13.mccombs.utexas.edu
Office hours: As announced, following the return of graded cases.

Sean will assist with the grading of cases and exams. After graded cases are returned, office hours will be scheduled to discuss such assignments. *If you have grading questions concerning a case, please make every effort to attend Sean's scheduled office hours.* Please bring all other questions (including questions concerning case preparation and exam-related matters) to my attention.

Internet Discussion Board and "Blackboard"

We will use the web-based University of Texas at Austin "Blackboard" (Bb) software extensively, including the course discussion board. To access Blackboard, go to http://courses.utexas.edu or follow the links from other University websites.

The discussion board benefits all of us. You can use it to post comments, links to articles of interest, questions and responses to others' posts. ***If you have a question, comment or article of interest (i.e., it is not a personal matter), please use the discussion board, not e-mail!***

I will also use Bb to post announcements, files for downloading, and scores. ***Please check Bb frequently and before every class.***

Enhancing the Enjoyment of this Course

I prefer an informal classroom, as I have found such an environment to be more enjoyable and conducive to student attendance and participation. I hope you will let me know during class if you have a question, comment or response. ***In this class, silence is not golden!***

Please assist me in maintaining a positive, productive learning environment by showing courtesy and respect for your fellow students (and me). To that end, ***please make all reasonable efforts to be on time to class***. Entering the classroom after class begins is disruptive to me and those around you. Please also respond to your fellow students' remarks in a courteous and respectful manner, as you would in a professional setting.

The use of electronic devices in class is not permitted, unless otherwise announced. Accordingly, ***please turn off and put away your laptop, tablet, Blackberry/iPhone/cell phone and other devices before class begins***. PowerPoint slides for lectures will be available under "Course Documents" on Bb before class. Although only a small portion of the PowerPoints will be covered in class – they are primarily to assist you with exam preparation - I recommend that you print out the slides (4 or 6 to a page) before each class and write your notes in the margins or space provided as we cover selected material.

I hope you will give me feedback during the course. You will have a formal opportunity to do this via the end-of-session Course Instructor Survey, but I hope you will stop by and see me during the course if there are things you especially like or do not like.

Required Course Materials:

Course files. As noted above, I will provide PowerPoint and other files (including supplemental non-textbook readings) that we will use in class discussion. These files will be available on Bb. ***These materials do not substitute for class itself, so it is important to attend each class session.***

A Guide to Forensic Accounting Investigation, 2nd edition, by Skalak, Golden, Clayton & Pill (Wiley, 2011).

Course Objectives

At the end of the semester, you will have a better understanding of the following:

1. The forensic accounting field and fraud examination's place therein;
2. Fraud psychology;
3. Financial reporting fraud, asset misappropriation and other fraud schemes;
4. Legal and other obligations of the auditor and fraud examiner relating to fraud;
5. Differences between audits and fraud investigations;
6. Fraud detection and investigation techniques;
7. The role of internal audit in fraud detection;
8. Working with fraud investigators and legal counsel;
9. Handling anonymous communications;
10. Interviewing skills;

11. Analytic procedures;

12. Building a legal case;

13. Investigation reports; and

14. Corruption and related domestic and international laws.

Grading

Course grades will be based on a 350-point scale, as follows:

	Points Possible
Midterm examination	100 (28.5%)
Final examination	100 (28.5%)
Cases (3)	100 (28.5%)
Class attendance and participation	50 (14.5%)
Total possible points	**350**

I do not have any fixed point or percentage cut-offs in mind regarding letter grades. I will make these determinations at the end of the course based on both relative and absolute performance considerations. Historically, my grade distribution in this class has been approximately 40-50% A/A-, 40-50% B+/B, with the remainder B- or below. However, each class is different and this session's distribution may vary from the foregoing.

As students are naturally curious about where they stand during the course, I will endeavor to give the class an interim assessment of performance following the midterm exam. ***However, any mid-session indications of course performance are merely to assist you in evaluating your performance to date and achieving your goals in this course. They are not guarantees or suggestions that you will receive any particular final grade in this course.***

Each graded component is described below:

Examinations (midterm and final each worth 100 points)

Examinations will emphasize concepts and issues discussed in class, the PowerPoints and supplemental readings, although *any material from assigned readings is "fair game" for testing.* Exams may contain objective (multiple choice and true-false) questions, short-answer and/or essay questions. I will provide additional exam-related information and preparation guidance prior to each exam.

The midterm examination will test material covered to that point in the course. The final

examination will cover the remainder of the material in the course (i.e., it will not be "cumulative," as such term is normally used). Of course, as some material in this course builds on previous concepts, the final examination will be "cumulative" in the broad sense of that term.

Cases (100 points)

To refine your writing skills and your ability to deal with more realistic and less structured problems in fraud examination, there will be three case exercises based on real-world examples and scenarios that have been adapted for teaching purposes.

Cases will be graded for breadth and depth of analysis, quality of writing and professional impression. Case questions may involve subjective issues for which there will be no "right answer" and multiple views can be defended. ***It is important to be both complete and concise in your case analyses.*** Do not repeat or summarize the case facts, except where needed to support a position. *Your case analyses will be limited to four pages each and must be double-spaced, use a font no smaller than 10 and have left and right margins of at least 1".*

In the formative stage of a case assignment, you are welcome to discuss the case with other students *in this class (but not others outside of this class)*, including on the discussion board. ***However, copying from another student's draft or final solution is scholastic dishonesty, and will be penalized severely.*** See "Policy on Scholastic Dishonesty" later in this syllabus for clarification.

The assigned cases will be posted on our Bb site under "Assignments." Due dates will be as set forth in the "Anticipated Course Schedule" at the conclusion of this syllabus, unless changed per class announcement. Each case will be worth 30-40 points, as announced when each case is assigned.

All cases will be due in class on the day indicated. Time permitting, we will discuss cases in class, on or after the due date. Discussion of cases is an important part of the course, ***so please be prepared to discuss and defend your positions in class*** (see "Class Attendance and Participation," below).

Class Attendance and Participation (50 points)

Your attendance and active participation will make this course substantially more enjoyable (for you and me) and significantly enhance the clarity of points discussed in class. To give you an added incentive to attend and participate, 50 points will be based on your attendance and my largely subjective (but genuine) assessment of your cumulative participation and contribution in this class.

To earn points for participation and attendance:

- **Ask and answer questions and offer insights in class discussions!**
- Post questions and insights to the discussion board.
- Answer others' posts on the discussion board.
- **Actively participate in any discussions led by guest speakers.**
- **Attend class.**

To earn all or a substantial percentage of the participation points available, consistent class attendance and significant participation is necessary.

I do not "micromanage" participation or expect that you will contribute in every class. Your interest and comfort level will likely dictate your participation in a given class or on a given subject. Assessing participation at the conclusion of the course requires my subjective judgment, but you can trust me to do my best to form a fair assessment of your participation and contribution.

Attendance will usually be taken on days when we have guest speakers and video presentations and do in-class group exercises (which video presentations and exercises are often not announced in advance), but may be taken any day in my discretion. ***Attendance is a material factor in determining your overall participation score. Any student who is absent 50% or more of the days on which attendance is taken (as indicated by sign-in sheets I will circulate) will receive a participation score of zero in the course.***

Don't be Shy!

As in any course, it is common for some students' early performance in the course to fall short of their goals or expectations. Unfortunately, it is also common for many such students to not seek input or assistance in a timely manner, leading to anxiety and diminished hopes for a particular grade.

If at any point you have a concern about your performance in the course, please see me. I will be happy to provide suggestions on how you might improve your performance.

Discussion Board

Along with other features of Bb, I strongly encourage you to take advantage of the discussion board for this course. Postings can relate to class discussions, case issues, exam-related questions, current events, or any other topics/issues that are relevant to this course (including career-related matters). I monitor the discussion board periodically (and more frequently approaching case due dates and exams), and will reward participation as noted above.

Ground rules for Discussion Board:

1. ***For questions or comments of general interest to the class (i.e., non-personal matters), please use the discussion board, not e-mail!*** I do not consider personal e-mails in assigning participation scores.

2. Be professional and courteous. Discussion boards of this type are used throughout the business world. You do not need to be overly formal, but forums such as this offer a good opportunity to practice professional business communication. Please keep in mind that I will read your posts.

3. Any topics of interest to students taking this course are welcome.

4. Do not be a free rider. If you benefit from reading others' postings, consider adding your own insights. Also, reply to inquiries from your fellow students.

5. Even if you have nothing to post, please get in the habit of accessing the discussion board frequently, and before each case due date and exam. I will often use Bb to communicate important announcements and clarifications.

6. I will establish special forums for each exam and case. ***To maximize the usefulness of your post, please use such forums for case- and exam-related questions.***

Blackboard downtimes and cases:

As with all computer systems, there are occasional scheduled downtimes as well as unanticipated interruptions of the Bb system. Notification of these disruptions will be posted on the Bb login page. Scheduled downtimes are **not** an excuse for turning in a case late or failing to complete other course requirements. However, if there is an unscheduled downtime for a significant period of time, I will make an adjustment if it occurs close to the due date. ***As downtimes are often unpredictable, I advise you to print out case materials as soon as they are available***.

Policy on Missed Examinations and Assignments

In general, medical emergencies, family emergencies and university-sponsored conflicts are the only valid reasons for missing an examination or the due date of a case. In all such instances, I require some form of supporting documentation, such as a signed note from a physician. At that point I will decide the best make-up alternative on a case-by-case basis, which could mean a make-up exam or recalculating the semester grade to omit the missed component, depending on the circumstances. Examinations or assignments that are missed for reasons other than emergencies or university-sponsored conflicts will generally receive no credit. In the case of a conflict due to a university-sponsored event, you must notify me as soon as you are aware of the conflict and *before* the examination date or assignment due date. ***Please note that interviews and office visits are not valid reasons for missing an examination or turning in a case late. If you anticipate a conflict with an exam or case due date (see "Anticipated Course Schedule" below), I urge you to make alternate arrangements for that activity or event (or plan to turn in your case early), and to maintain availability throughout the finals period until confirmation of the day and time of the final exam.***

Religious Holidays

Religious holy days sometime conflict with class and examination schedules. By University policy, you must notify me of your pending absence *at least fourteen days prior* to the date of observance of a religious holy day. If you must miss a class, an examination, or an assignment in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Policy on Students with Disabilities

The University strives to accommodate qualified students with disabilities. Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, http://www.utexas.edu/diversity/ddce/ssd/. If you are a qualified student with a disability, please see me to discuss any appropriate accommodations that have been recommended for this course.

University Electronic Mail Notification Policy

All students should become familiar with the University's official e-mail student notification policy. It is the student's responsibility to keep the University informed as to changes in his or her e-mail address. Students are expected to check e-mail on a frequent and regular basis in order to stay current with University-related communications, recognizing that certain communications may be time-critical. It is recommended that e-mail be checked daily, but at a minimum, twice per week. The complete text of this policy and instructions for updating your email address are available at: http://www.utexas.edu/its/policies/emailnotify.html.

Electronic Class Roster and Student Privacy

The University has requested that students be notified of their privacy rights in regard to electronic class rosters:

Password-protected class sites will be available for all accredited courses taught at the University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: http://www.utexas.edu/student/registrar/catalogs/gi06-07/app/appc09.html.

Assistance with Case Writing

If you are an undergraduate student, I encourage you to use the Undergraduate Writing Center (UWC), FAC 211, 471-6222 (http://uwc.fac.utexas.edu) to assist you with writing your case analyses. Graduate students may use the Graduate Student Writing Center (GSWC), JES A332A, 471-3614 (http://www.utexas.edu/student/utlc/tutoring/grad_writing_services.php). Each center offers free, individualized, expert help with writing, by appointment or on a drop-in basis (although I suggest you make an appointment and not wait until the "last minute"). Both centers work with students on both academic and non-academic writing and their services are not just for writing with "problems." Getting feedback from an informed audience is a normal part of a successful writing project. Consultants help students develop strategies to improve their writing. Further, the assistance they provide is intended to foster independence - each student determines how to use the consultant's advice and the consultants are trained to help you in ways that preserve the integrity of your work.

Policy on Scholastic Dishonesty and Working Together on Cases

Policy of the Department of Accounting

The Department of Accounting has a Policy Statement on Scholastic Dishonesty in the MPA Program. It is available via the Department website at http://www.mccombs.utexas.edu/MPA/Student-Code-of-Ethics.aspx.

The Department of Accounting has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Department's Policy Statement on Scholastic Dishonesty in the MPA Program. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at http://deanofstudents.utexas.edu/sjs/ to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Integrity is a public good from which we all benefit and a trait of successful businessmen and women. I intend to conduct this course in an environment of trust and cooperation. I can only achieve this, however, if you maintain absolute ethical integrity in this course. ***If in doubt, ask me!***

Personal Policy on Working Together on Cases (applies only to this course)

For this course, you may discuss issues related to assigned cases with other students *in this class (but not other persons).* You may work in the formative stages of an assignment with others to clarify issues or exchange ideas. However, I expect the final product of each collected assignment to reflect individual thought and composition. ***You may not copy or paraphrase from others' draft or final solutions.*** Examples intended to clarify this policy follow.

Examples of acceptable collaborative efforts *(applies only to this course):*

- A student is confused about an ambiguous aspect of a case, and asks another student in the class what s/he thinks.
- Students ask questions and share helpful insights in class or on the discussion board.

Examples of collaborative efforts that are unacceptable:

- Student A completes a case before student B. B asks A for A's solution. B bases his/her solution on A's solution. Both A and B are guilty of scholastic dishonesty.
- A student finds a source relevant to a case and copies extensively from it, without using quotation marks, indentation or other references to acknowledge the source. This example constitutes plagiarism, which is a clear case of scholastic dishonesty.

- *Any* collaboration, breach of security or other cheating on a course examination.

Campus Safety

Please note the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, http://www.utexas.edu/safety/ :

-- Occupants of buildings on the University campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.

-- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.

-- Students requiring assistance in evacuation should inform their instructor in writing during the first week of class.

-- In the event of an evacuation, follow the instruction of faculty or class instructors.

-- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.

-- Behavior Concerns Advice Line (BCAL): 512-232-5050

-- Further information regarding emergency evacuation routes and emergency procedures can be found at: www.utexas.edu/emergency.

Anticipated Course Schedule

Assigned chapters are from the text noted above. **Various other readings and course files will supplement the text and be added from time to time.**

IMPORTANT: Please complete each day's assigned readings ***before class.*** The readings provide background that is necessary for understanding classroom discussion.

Date		Topic	Reading Assignment
June	7	Course overview and introduction; differing roles of the auditor and fraud investigator - comparing audits and fraud investigations; other areas of forensic accounting	Syllabus; Chs. 1, 3, 29
	10	Guest speakers and video presentations regarding financial reporting fraud and corruption*	Chs. 21, 26
	12	Auditors' responsibilities regarding fraud; independence and skepticism	Chs. 4, 11
	14	Psychology of the fraudster; video presentation	Ch. 2
	17	Fraud red flags and detection techniques; **Case 1 due**	Ch. 13
	19	Financial reporting fraud: revenue cycle and other schemes and misappropriations	Chs. 22, 23
	21	Role of internal audit; audio presentation	Ch. 6
	24	**Midterm Exam (in class)**	
	26	When to call in fraud investigators; working with investigators; early investigative matters	Chs. 5, 7, 14
	28	*No class!*	
July	1	Guest speaker – interviewing skills*; **Case 2 due**	Ch. 16
	3	Anonymous communications; privacy and disclosure; potential missteps	Chs. 8, 9, 12
	5	Building a case and supporting a prosecution; report of investigation	Chs. 10, 18, 19
	8	Working with attorneys; fraud trial – video presentation; **Case 3 due**	Ch. 20

July 10	Ponzi schemes - video presentation	Ch. 24
12/13	**Final Exam (day and time TBA)**	

*The guest speakers may have to reschedule, in which case the topics and assigned readings will shift earlier or later, as appropriate.