# THE UNIVERSITY OF TEXAS AT AUSTIN ACC 383K.4, FRAUD EXAMINATION (71365)

**Course Syllabus** SUMMER 2012, 2<sup>ND</sup> SESSION

Time: Monday-Thursday from 8:00-10:00 AM, in GSB 2.120

Office: CBA 6.304H **Instructor:** Bob George

Department of Accounting Office Phone: (512) 471-5215

The University of Texas at Austin e-mail: Bob.George@mccombs.utexas.edu

**Hours**: M-W 10-11 and by appointment

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

Course TA: Parisa Alizadeh e-mail: parisa.alizadeh@bba08.mccombs.utexas.edu

The course TA will assist with grading exams and case studies. After graded material is returned, she will schedule office hours for any needed discussions. If you have grading questions concerning a case, please attend 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"

The web-based University of Texas at Austin "Blackboard" software will be actively used, including the course Discussion Board. To access Blackboard, go to <a href="http://courses.utexas.edu">http://courses.utexas.edu</a> or follow the links from University websites.

Please check Blackboard ("Bb") frequently and before every class since it will be used extensively to post announcements and files for downloading. PowerPoint slides for lectures will be available under "Course Documents" on Bb before class. You may find it helpful to print the slides before each class and write your notes in the space available.

The Discussion board benefits everyone and can be used to post comments, articles of interest, questions and responses to others' posts. If you have a question, comment or article of general interest (i.e., not a personal matter), please use the Discussion Board, not e-mail.

## **Class Environment**

Your active participation in class discussions is encouraged and expected to enhance the learning experience for you and your fellow students. As in any professional situation, courtesy and respect will contribute to a positive, constructive environment. My objective is to achieve a relaxed and informal environment that will maximize your enjoyment of this course.

Please let me have your feedback as the course progresses regarding things you like or dislike about the course.

#### REQUIRED TEXTS

- (1) W. Steve Albrecht, Chad O. Albrecht, Conan C. Albrecht, Mark F. Zimbelman, Fraud Examination, Fourth Edition. South-Western, Cengage Learning, 2012, 2009.
- (2) Course files. PowerPoint and other files (including supplemental non-textbook readings) that will be used in class discussions will be provided on Bb.

## **COURSE OBJECTIVES**

This course is to introduce the student to forensic accounting and fraud examinations. Its objectives are to provide the student with an understanding of:

- The forensic accounting field with respect to fraud examinations;
- The nature and psychology of fraud;
- Fraud prevention and detection;
- Data driven fraud detection:
- Fraud investigation, including theft acts, concealment and conversion investigation methods;
- Inquiry methods, including interviewing, and fraud reports;
- Management fraud, including financial statement fraud;
- Fraud against organizations, including asset misappropriations and corruption;
- Consumer fraud;
- Bankruptcy, divorce, and tax fraud;
- Fraud in E-Commerce; and,
- Legal matters for the forensic accountant, including the criminal and civil litigation processes and being an expert witness.

These and other topics will be covered through lectures, readings, videos, analysis of case studies by students and presentations by practicing professionals.

# **EXAMINATIONS AND GRADING**

## **POINTS**

Exam #1 Exam #2 (not cumulative) Case studies (2) Class Participation and Contribution	125 125 60 50
TOTAL POINTS	360

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 <u>BOTH</u> RELATIVE AND ABSOLUTE PERFORMANCE CONSIDERATIONS.

**EXAMS.** Exams will emphasize concepts and issues discussed in class, although any material from assigned readings is "fair game" for testing. Exams may contain objective (i.e., multiple choice and true-false) questions and/or essay questions.

**Case studies.** Case studies based on actual frauds and adapted for teaching purposes will be assigned. These will enhance your ability to work with the less structured challenges of fraud examinations.

Cases will be graded for breadth and depth of analysis 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 case facts, except where needed to support a position. Your case analyses will be limited to four pages each and must be double-spaced using a font no smaller than 10 and right margins of at least 1".

In the formative stages of a case study, you are welcome to discuss the case with other students *in this class*, including on the Discussion Board. *However, you must complete your own solution and copying from another student's prepared solution is scholastic dishonesty that will be penalized severely.* 

Assigned cases will be posted on our Bb site under "Assignments" at least one week before their respective due dates. Due dates are set forth in the accompanying "Anticipated Course Schedule", unless otherwise indicated.

Cases will be due in class on the day indicated. Time permitting, we will discuss cases in class on or after the due dates. Discussion of cases is an important part of the course, so please be prepared to discuss and defend your positions in class.

**CLASS PARTICIPATION AND CONTRIBUTION.** YOUR active participation will be an important element of success in this course. Consequently, 50 points (14%) will be based on my largely subjective assessment of your cumulative participation and contribution.

Additionally, there may be periodic cases and quizzes to help ensure understanding of the course material.

To earn points for participation and contribution:

- Ask and answer questions and offer insights in class discussions
- Actively participate in discussions led by guest speakers
- Submit written questions in advance for guest speakers
- Post questions and insights to the Discussion Board
- Answer others' posts to the Discussion Board

Both classroom and Discussion Board participation are important. However, to earn all of the points available, significant and substantive classroom participation is necessary. Attendance will be considered in determining your participation and contribution score.

If at any point you have a concern about your performance in the course, please come by during office hours or make other arrangements to see me. I will be happy to provide suggestions on how you might improve your performance.

#### **Discussion Board**

Along with other features of Bb, you are strongly encouraged to take advantage of the Discussion Board. Postings can relate to class discussions, case studies, exam-related questions, or any other topics/issues that are relevant to this course. Substantive Discussion Board participation will be considered for your class participation and contribution score.

## Discussion Board ground rules:

- For questions or comments of general interest to the class (i.e., non-personal matters), please use the Discussion Board, <u>not</u> e-mail. I will <u>not</u> consider personal e-mails in assigning class participation and contribution scores.
- Such forums are commonly used in business environments and this will provide you
  with an opportunity to practice professional business communication skills. Be
  constructive, respectful and concise.
- Add your own insights and contributions and be responsive to inquiries of your fellow students.
- Access the Discussion Board frequently, including before each class, case due dates and exams. I will use the Discussion Board to communicate important announcements and clarifications.
- I will establish special forums for each exam and case study. Please use such forums for case study and exam related questions.

Be mindful that occasional downtimes and unanticipated interruptions can occur for the Bb system. Notifications of any such disruptions will be posted on the Bb login page. Scheduled downtimes are <u>not</u> an excuse for turning in a case study late or failing to complete any course requirement. However, if there is an unscheduled downtime for a significant period of time, I will consider making an adjustment if it occurs close to a due date. As downtimes are often unpredictable, you should print case materials as soon as they are available.

## **Policy on Missed Examinations and Assignments**

Medical emergencies, family emergencies and university-sponsored conflicts are the only valid reasons for missing an examination or the due date of an assignment. In any such instance, supporting documentation will be required, 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. Examinations or assignments that are missed or late for reasons other than emergencies or university-sponsored conflicts will generally receive no credit. In the case of a university-sponsored event, you must notify me as soon as you are aware of the conflict and <a href="mailto:before">before</a> the examination date or assignment due date. <a href="mailto:lnterviews and office visits are not valid reasons for missing an examination or tuning in an assignment late.">lnterviews and office visits are not valid reasons for missing an examination or tuning in an assignment late.</a>

#### **Religious Holidays**

Religious holidays sometime conflict with examination and assignment schedules. If you miss an examination or assignment due date due to the observance of a religious holy day, you will be given an opportunity to complete the work missed within a reasonable time <u>after</u> the absence. It is the policy of the University that you must notify me at least fourteen (14) days <u>prior</u> to the exam or assignment due date that you will be absent to observe a religious holiday.

## **University Electronic Mail Notification Policy**

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. The complete text of this policy and instructions for updating your email address are available at: <a href="http://www.utexas.edu/its/policies/emailnotify.html">http://www.utexas.edu/its/policies/emailnotify.html</a>.

## **ACADEMIC HONESTY**

# Accounting Department Policy:

The Department of Accounting has no tolerance for acts of scholastic dishonesty. The responsibility of both students and faculty with respect to scholastic dishonesty are described in detail in the department's Policy Statement on Scholastic Dishonesty in the MPA Program. I have agreed to observe all of the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all of the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification.

The student responsibilities embodied in the department's Policy Statement on Scholastic Dishonesty are consistent with the GSB Honor Code and the University's General Information catalog. However, you should obtain and read the department's Policy Statement to ensure that you understand my responsibilities. Copies are available at <a href="http://new.mccombs.utexas.edu/MPA/Student-Codes-of-Ethics.aspx">http://new.mccombs.utexas.edu/MPA/Student-Codes-of-Ethics.aspx</a>.

#### **Students with Disabilities**

The University of Texas at Austin provides, upon request, appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.

# **Privacy**

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: <a href="http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html">http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html</a>.

# ACC 383K.4, Fraud Examination (71365) Anticipated Course Schedule Summer 2012, 2<sup>nd</sup> Session

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

**IMPORTANT:** Please complete each day's assigned reading <u>before class</u>. The readings provide background that is necessary for understanding and participating classroom discussion.

M July 9 CLASS 1

TOPIC: Course Overview and Introductions; The Nature of Fraud

READINGS: Course syllabus; Chapter 1

Tu July 10 CLASS 2

TOPIC: Why People Commit Fraud and An Overview of Fraud Fighting

**READINGS:** Chapters 2 and 3

W July 11 CLASS 3

**TOPIC:** Preventing Fraud **READINGS:** Chapter 4

Th July 12 CLASS 4

TOPIC: Recognizing the Symptoms of Fraud

**READINGS:** Chapter 5\_

M July 16 CLASS 5 – Brian Flood, Principal, KPMG TOPIC: Data-Driven Fraud Detection and Fraud in E-Commerce

**READINGS:** Chapter 6

Tu July 17 CLASS 6
TOPIC: Investigating Theft Acts
READINGS: Chapter 7

W July 18 CLASS 7 – Agent Matt Gravelle, FBI (Retired)

**TOPIC:** Fraud Investigation

**READINGS:** Supplemental readings TBA

Th July 19 CLASS 8

**TOPIC:** Investigating Concealment & Conversion Investigation Methods

READINGS: Chapter 8 (pp. 231- 237; pp. 242-243) & Chapter 9

M July 23 CLASS 9 – Kevin Collins, Partner – Baker Botts

TOPIC: Resolution of Fraud, Including the Legal Process and Being an Expert Witness

**READINGS:** Chapter 18 (To Be Covered on Exam 2)

Tu July 24 CLASS 10

TOPIC: Exam #1 (Chapters 1-9); Inquiry Methods and Fraud Reports

**READINGS:** Exam #1 preparation

**ASSIGNMENTS:** Case #1

W July 25 CLASS 11 – Jim Ratley, President & CEO – The Association of Certified Fraud

Examiners

**TOPIC:** Inquiry Methods and Fraud Reports

**READINGS:** Chapter 10

- Bob George Page-7

Th July 26 CLASS 12 – Ed Blechschmidt, Audit Committee Chairman - HealthSouth

**TOPIC:** Financial Statement Fraud

**READINGS:** Chapter 11

M July 30 CLASS 13

**TOPIC:** Revenue and Inventory-Related Financial Statement Frauds

**READINGS:** Chapter 12

Tu July 31 CLASS 14

**TOPIC:** Liability, Asset and Inadequate Disclosure Frauds

**READINGS:** Chapter 13

ASSIGNMENTS: Case #1 Due; Case #2 Assigned

W August 1 CLASS 15 – Luis Canuto, Director, Fraud Deterrence & Examination - Dell

**TOPIC:** Fraud Against Organizations

**READINGS:** Chapter 14

Th August 2 CLASS16 - Todd Ranta, Director - PwC

**TOPIC:** Case Studies **READINGS:** Chapter 16

A August 6 CLASS 17 – Alan Waldrop, Texas State Securities Board and Partner – Locke Lord

**TOPIC:** Consumer Fraud **READINGS:** Chapter 15\_

Tu August 7 CLASS
TOPIC: Global Corruption

READINGS: TBA

**ASSIGNMENTS:** Case #2 Due In Class

W August 8 CLASS 19

**TOPIC**: Selected Topics **READINGS**: TBA

Th August 9 Class 20
TOPIC: Exam #2 (Chapters 10-18)
READINGS: Exam #2 preparation