

Acc 551 Fraud Examination

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1 Catalog Description

This course will cover the principles and methodology of fraud detection and deterrence. This includes such topics as skimming, cash larceny, billing schemes, check tampering, payroll and expense reimbursement schemes, register disbursement schemes, non-cash asset misappropriations, corruption, accounting principles and fraud, fraudulent financial statements, and interviewing witnesses.

Prerequisite: Acc 512.

2 Class Conduct

Class sessions will consist of lectures, case studies and interactive discussion. Assuming availability, the course will feature a guest speaker who is an expert in Fraud Examination. In addition to covering the material in the textbook, the guest lecturer will present at least one actual fraud case to the class. The session(s) will be interactive, with students working through the cases, developing investigative strategies, and seeking to prove how the fraud was committed.

3 A Detailed Course Description

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Our understanding of forensic accounting in general, and fraud prevention, in particular, is constantly evolving. The primary goal of this course is therefore to provide students with a broad foundation of the area of fraud prevention, while at the same time provide a familiarity of current practices in the field. I will supplement the text readings with additional outside sources.

The Association of Certified Fraud Examiners (ACFE) is the world's premier provider of anti-fraud training and education. Through the organization's Anti-Fraud Education Partnership, a vast array of supplemental text and video material has been provided for use in this course and will be integrated throughout the curriculum to provide additional expert coverage of the concepts covered in this course.

4 Course Learning Objectives

- Gain an understanding of how and why occupational fraud is committed;
- Demonstrate an ability to recognize how fraudulent conduct may be deterred
- Demonstrate an understanding of how allegations of fraud should be investigated and resolved

5 Textbook

The main text for this course is:

A Guide to Forensic Accounting Investigation, Thomas Golden, Steven L. Skalak, and Mona M. Clayton. (Wiley, 2006)

I will cover most of this book, hopefully in about half the semester. For the remaining part, you will be discussing specific frauds assigned. Occasionally, I also will assign additional readings.

6 Grading

The final course grade is dependent on the following factors:

- 100 points: Test (In class/open notes. Details to be announced in class)
- 100 points: Group class presentations & written report
- 25 points: Class participation
- 225 points: Total points (max)

The final grade is strictly relative, based on the total points scored. The grades, once assigned, can not be changed, except in case of errors in grading. Under no circumstances is it possible to do extra credit work to improve the grade.

7 Tentative Schedule

- – **Aug 25, 27**
 - **Topics:** Fraud and the Role of the Auditor
 - **Read:** GSC: Ch.1,2
- **Sept 1: No Class**
- – **Sept 3, 8, 10**
 - **Topics:** Psychology of Fraudster, Financial Reporting Fraud & Capital Markets, Auditor Responsibilities, Independence, Objectivity, Skepticism
 - **Read:** GSC: Ch. 3, 4, 5, 6.
- – **Sept 15, 17**
 - **Topics:** Forensic Investigations and Financial Audits, Potential Red Flags and Fraud Detection Techniques, Internal Audit
 - **Read:** GSC: Ch.7,8,9
- – **Sept 22, 24**
 - **Topics:** Financial Statement Fraud
 - **Read:** GSC: Ch. 10, 11, 12,
- **Sept 29, Oct 1: No Class**
- – **Oct 6, 8**
 - **Topics:** Forensic Investigation I: Team, Missteps, Techniques
 - **Read:** GSC: Ch. 13, 14, 15
- – **Oct 13, 15**
 - **Topics:** Forensic Investigation II: Anonymous Communications, Background Investigations, Forensic Interview
 - **Read:** GSC: Ch. 16, 17, 18

- – **Oct 20, 22**
 - **Topics:** Building the case, Supporting Criminal Prosecution, Report of Investigation
 - **Read:** GSC: Ch. 21, 22, 23
- – **Oct 27, 29**
 - **Topics:** Working with Attorneys, Global Investigations, Money Laundering
 - **Read:** GSC: Ch. 24, 25, 26
- – **Nov 3, 5**
 - **Topics:** Fraud Cases, Group Presentations
- – **Nov 10, 12**
 - **Topics:** Fraud Cases, Group Presentations
- – **Nov 17, 19**
 - **Topics:** Fraud Cases, Group Presentations
- **Nov 24: TEST**
- – **Dec 1, 3, 8**
 - **Topics:** Fraud Cases, Group Presentations

Jagdish S. Gangolly (September 1, 2008)