ACC 635 Principles of Forensic Accounting
Fall 2015
DePaul University
Mondays 6:00-9:15

School of Accountancy and Management Information Systems

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Email: kpope2@depaul.edu I regularly check email, so feel free to utilize my email address if you need to.

Required Text:

Internet Support
The course will utilize Desire 2 Learn.

Course Description
This course will focus on fraud principles that relate to asset misappropriations, corruption and fraudulent financial statements. Emphasis will be on examination and review of major fraud schemes, investigative strategies and controls used to detect and prevent the impact fraud has on an organization.

The objectives of ACC 635 are to understand and apply the following topics and techniques to:

- Gain an understanding of basic fraud schemes;
- Gain an understanding of the psychology of fraud;
- Review fraud detection and prevention techniques;
- Review relevant fraud cases;
- Discuss becoming a certified fraud examiner;
- Improve critical thinking and presentation skills.

Conduct of Classes and Expectations
We will follow the course schedule to the extent possible but we may alter the course schedule if we see material that would enhance our class. My expectation is that you will be prepared for each class and ready to discuss the course readings.
## Course Grading

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tr>
<td>Midterm exam</td>
<td>20%</td>
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<tr>
<td>Final Exam</td>
<td>20%</td>
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<tr>
<td>Weekly Fraud e-case assessments</td>
<td>20%</td>
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<tr>
<td>Reflection Papers/Current event reports</td>
<td>20%</td>
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<tr>
<td>Fraud Investigative Report/Presentation</td>
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Both midterm and final exams will count 20% of your grade and will cover the theoretical material discussed in both our course e-textbook, course readings and e-cases. The exams will be a combination of multiple choice questions and short essay questions. All homework, presentations and projects will be submitted electronically in D2L.

- **Weekly Fraud e-case assessments**
  Each e-case has a set of multiple choice questions that should be completed after each e-case assignment.

- **Reflection Papers**
  Reflection paper assignments are required after several of class topics. Instructions will be posted to D2L.

- **Fraud Current Event**
  You are required to identify one fraud current event case that relates to our weekly topics. This analysis short paper is due every Sunday night (by midnight) and should be submitted to the D2L dropbox in the appropriate folder. At the beginning of Monday’s class, students will be randomly selected to discuss their case findings to the class. Everyone in the class will have a chance to present.

Helpful resources:

*New York Times:*

*Wall Street Journal:*
ACC 635 Principles of Forensic Accounting Pope
CoursePack Student Purchasing Information

2. Click the **Buy Now** button (located in the lower left corner).
3. Enter a username (must be all lowercase letters, no spaces) then click **I am a new customer**. Click **Login**.
4. Complete **Account Details** then click **Create Account**.
5. Choose to pay by Credit Card or Paypal then click **Proceed**.
6. Enter payment information then click **Submit**.
7. On your receipt, you will see **Training Access Details**. Click where it says **Click here** to be taken to your CoursePack.
8. To access your CoursePack again later, go to [http://training.heliosdigital.com/login/index.php](http://training.heliosdigital.com/login/index.php) and login using the username and password you created to purchase the e-case.

Any issues or questions related to this CoursePack should be directed to [support@heliosdigital.com](mailto:support@heliosdigital.com) or you may call (312) 789-4470.
ACC 635 Course Syllabus

Week 1: WHAT IS FORENSIC ACCOUNTING?
9/14/15
In-class e-case discussion:
- The Fraud Resistant Organization
- How Fraud Begins
- The Truth About Dishonesty video
  - https://www.youtube.com/watch?v=XBmJay_qdNc
- Good Intentions Bad Outcomes e-case
In-class readings:
- Iconic Fraud Triangle Endures

Homework: Identify a fraud current event fraud article on cash larceny, skimming, check fraud or lapping. Submit your current event to the D2L homework folder and share a brief overview to the discussion board. Complete the House of Cards e-case and assessment.

Week 2: FRAUD SCHEMES
9/21/15
In-class e-case discussion:
  1. House of Cards
In-class readings:
  1. ACFE Report to the Nations 2014
    i. In-class group presentations on ACFE Report to the Nations

Homework reading: Submit a fraud current event on embezzlement and be prepared to discuss the article in class. Submit your current event to the D2L homework folder and share a brief overview to the discussion board. Complete The Unusual Suspect: Understanding Embezzlement in Today’s Economy e-case and assessment.

Week 3: UNDERSTANDING EMBEZZLEMENT
9/28/15
Guest presenter: Chris Marquet of Marquet International
In-class e-case discussion: The Unusual Suspect: Understanding Embezzlement in Today’s Economy.
In-class readings:
  1. In class readings: 2013 Marquet Report on Embezzlement
In-class activity
  1. Identifying potential fraud in small businesses The Profit
Week 4: UNDERSTANDING FINANCIAL STATEMENT FRAUD
10/5/15
In-class e-case discussion: Going South: Lessons Learned from the HealthSouth Fraud
In-class readings:
1. Consideration of fraud in the financial statement audit
2. Closing the Expectation Gap on Detecting financial statement fraud
3. Deterring and Detecting Financial Reporting Fraud: A Plan for Action (article copy on D2L)
4. HealthSouth Special Audit Committee Report
   • http://apps.shareholder.com/sec/viewerContent.aspx?companyid=HLS&docid=2997418

Week 5: Careers in Forensic Accounting Part 1
10/12/15
Guest Speaker Jeremy McGannon, FTI Consulting, Inc.
Dixon, IL fraud in-class discussion
In class e-case discussion: The $53 Million Question: Who’s Responsible for Finding Fraud?
In-class readings:
1. Review of court depositions with auditors
Homework Reading:
Jay Nolan reading:
http://www.cftc.gov/PressRoom/PressReleases/pr6082-11

Week 6: Careers in Forensic Accounting Part 2
10/19/15
Guest Speaker, Gary Kleinrichert, Senior Managing Director, FTI Consulting, Inc.
Guest Speaker, Jay Nolan
Homework: Prepare for the midterm exam. Exam review sheet will be passed out in class.

Week 7: MIDTERM (in class)
10/26/15
Fraud in the Movies: *Arbitrage* (2012)

Week 8
11/2/15
In-class group research meetings
Understanding Ponzi Schemes

Homework: *Whistling While You Work: The Story of One Controller* and UNC Academic Fraud Case activity.

WEEK 9
In class discussion: *Whistling While You Work: The Story of One Controller*
In-class readings:
  1. *Dodd Frank Wall Street Reform and Consumer Protection Act: A Primer for CPAs* (article is posted to D2L)
  2. *Should CPAs Be Financially Rewarded as WhistleBlowers?* [
http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2011/CPA/Jul/Whistleblowers.jsp](http://www.cpa2biz.com/Content/media/PRODUCER_CONTENT/Newsletters/Articles_2011/CPA/Jul/Whistleblowers.jsp)


WEEK 10
11/9/15
FORENSIC ACCOUNTING RESEARCH PROJECT
Student Presentations Group

FINAL EXAM November 23, 2015, from 6:00 PM to 8:15 PM