ACC 645: Forensic and Investigative Accounting (Winter 2015)

Professor: Cindy Durtschi, PhD
Office: DPC 6038
Phone: 312-362-8789
Office Hours: M-W 10-11:30 (or by appointment) I am at DePaul every day (unless out of town on business), I can easily stay until 6pm on a day other than Tuesday if you are on campus for another class and want to stop by and visit prior to your other classes. You can also contact me quickly via email.

Course Description:
This course focuses on basic interpersonal and communication skills used to investigate accounting-based fraud. Skills include those that help identify a person who is committing fraud including: reading people discourse, linguistic and handwriting analysis. The course also teaches net worth analysis, writing an expert report and expert witness testimony. The course gives hands-on experience in a case-based setting.

Course Objectives:

Professional Skills:
1. Identifying the person who commits fraud through their personal characteristics:
   a. Learning Activities in support of the objective:
      i. Reading People
      ii. Spotting lies
      iii. Handwriting analysis
      iv. Discourse Analysis
      v. Linguistic Analysis

2. Identifying the person who commits fraud through observation of lifestyle.
   a. Learning activities to support objective:
      i. Net Worth Analysis

3. Communication skills:
   a. Learning activities to support the objective:
      i. Oral reports
      ii. Writing an expert witness report
      iii. Practice in being an expert witness under mock trial conditions

Professional Values and Attitudes:
1. Increased professional skepticism
   a. Learning activities to support objective:
      i. Detection of lies in oral and written communication

2. Interpersonal skills
   a. Learning activities to support objectives
      i. Reading people exercises
      ii. Team building exercises
Course texts:


NOTE: Laptops are welcome in class.

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<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignment Due</th>
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| Jan 6  | Reading People/Spotting lies  Reading Faces                           | **Readings:** Snakes in Suits Chaps 1-3  
http://www.ted.com/talks/pamela_meyer_how_to_spot_a_liar.html |
| Jan 13 | Presentations Reading Faces                                          | **Readings:** Snakes in Suits Chaps 4-6  
http://www.youtube.com/watch?v=PFqzYoKkCc  
**Due:** Reading Faces Assignment  
**Readings:** |
| Jan 20 | Handwriting Analysis                                                  | **Due:** Bring to class a handwritten description of your last vacation. It should be on plain white paper—not lined. Please write an entire page. |
| Jan 27 | Net Worth Analysis                                                    | Net Worth Analysis packet, on line,  
**Readings:** Snakes in Suits Chaps 7-9 |
| Feb 3  | Discourse Analysis  
Linguistic Analysis                                                      | Investigative Discourse Analysis (Chapters 1,3,4,5,10)  
**Readings:** Snakes in Suits Chapters 10-11  
**Due** Net Worth Analysis Assignment |
| Feb 10 | Debrief Net Worth Analysis Assignment  
Introduction of Arson Case  
**Midterm Exam**                                                           | **Due:** Discourse Analysis Assignment  
(Zimmerman and Drew Peterson)—see D2L |
| Feb 17 | Debrief Discourse Analysis                                             | **Readings:** Arson article, Forensic Accounting Report, D2L  
Expert witnessing (on D2L) under Arson |
| Feb 24 | Testifying in Trial                                                   |                |
| Mar 3  | Switch Expert Reports                                                 |                |
| Mar 10 | Present Arson Case to Jury                                            | **Due,** **Presentation:** Arson Case to Jury  
**Due:** Final Expert Report  
**Due:** Final Exam |
| Mar 17 | Debrief Arson Case (who won)                                          |                |
Course Evaluation:

1. Reading Faces Analysis (Individual grade) **25 points** (based on identification of expressions)
2. Discourse Analysis (Individual grade) (total of **50 points**)
   a. George Zimmerman (25 points)
   b. Drew Peterson (25 points)
3. Net Worth Case (Individual grade) (**25 points**)
4. Arson Case (Team) (**70 points**)
   a. Oral Case Presentation (35 points)*
   b. Written Forensic Report (35 points)
5. Mid-term Examination (Individual grade) (**75 points**)
6. Final examination (Individual grade) (**75 points**)

**Total possible: 320 points**

Grading:

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<td>95-100%</td>
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<td>90-94%</td>
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<td>65-69%</td>
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Honor Code:
Students are expected to uphold the Academic Honor Code. The Academic Honor System is based on the premise that each student has the responsibility to 1) uphold the highest standards of academic integrity in the student’s own work, 2) to refuse to tolerate violations of academic integrity in the university community, and 3) to foster a high sense of integrity and social responsibility on the part of the university community.

**Students with disabilities** needing academic accommodation should 1) register with and provide documentation to the Office of Students with Disabilities, and 2) bring a letter to the instructor indicating the need for accommodation and what type. This should be done during the first week of class.
Description of assignments:

1. **Reading People analysis (reading faces)**
   The assignment: You will choose a clip from the series, *What Would You Do*. You will watch it, (it helps to keep the sound off) and read the faces of the participants. You are looking for evidence of the seven major facial expressions discussed by Ekman (Fear, Disgust, Happiness, Anger, Surprise, Contempt, and Sadness).
   **Deliverable:** Seven PowerPoint slides. Each slide will capture a different major facial expression (one slide for fear, one for disgust, and so on). Slides should not label the expression, and should not identify you as the compiler.
   A. Upload Slides to the appropriate D2L Dropbox **24 hours** prior to class.
   B. In a separate file, identify each expression (for example: Slide 1: Happy; Slide 2: Sad and so on)
   C. I will show the slides during the next class period and your classmates will identify the expression to see if they agree with your analysis.

2. **Discourse analysis (Individual grade):** You will be given police interviews with George Zimmerman, and YouTube videos of Matt Lauer’s interview with Drew Peterson. Your assignment is to read the Zimmerman interview and identify areas of deception and truth. You will make a judgment as to whether you believe the evidence points toward truth or deception. You will also watch the Peterson interview and analyze it as to content (i.e., discourse analysis) also facial expression. Use information from “Investigative Discourse Analysis”, and “Snakes in Suits” to support your position along with quotes or pictures from the interviews.
   **Deliverable:**
   1) Two written reports
      a) For each individual, make a judgment as to whether or not you believe they were being deceptive or truthful. Support your judgment with quotes from within the transcript, or facial expressions from the videos.
      b) There is no specified length required for your report, but your report will be compared to others within the class for completeness and how convincing you were in supporting your argument of lying versus truth-telling. In other words, make your report as long as it needs to be to create a clear and convincing case.

3. **Net Worth Analysis: (Individual Grade)**
   You’ll be given the financials for Jack and Hilda Gibson. There is a suspicion that they have been engaged in illegal activities.
   Your task is to
   1) Do a net worth analysis and determine whether or not they have money from illegal sources.
   2) Describe what you would do if you were hired by the defense to argue that their income is legitimate.
   Note: As in a real case, all the information to make this judgment is not available. Therefore, you will have to make certain assumptions to complete the analysis.
Deliverables:
1) Your numerical analysis providing evidence that the Gibsons either did or did not have money from illegal sources. Write out the assumptions you used in your calculation.
2) A written paragraph showing how you would explain that their money was all from legitimate sources (if you happened to be defending them versus prosecuting them). (10 points)

4. **Arson Case: (Team)** You will be given the Examination Under Oath (EUO), the Fire Insurance Policy and other data for someone suspected of arson.

**Deliverables:**
1) Read materials given and request additional information. Forensic accountants assist lawyers in determining what additional financial records should be requested to complete preparations for a case.
2) Prepare an Expert Report (you will switch this report with the other side prior to the case presentation)
3) Prepare a cross examination based on the other side’s expert report
4) Present your case before a jury

Note: Complete instructions are in the case materials.