ACC 635 Principles of Forensic Accounting  
Spring 2016  
DePaul University  
Mondays 6:00-9:15

School of Accountancy and Management Information Systems

Instructor: Professor Kelly Richmond Pope, Ph.D., CPA
Office: 6050 DePaul Center
Office Phone: 312-362-5821
Cell Phone: 919-672-9697
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>Assignment</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>
<td>20%</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:*
http://www.nytimes.com/subscriptions/edu/lp84L7U.html?campaignId=4RXRF

*Wall Street Journal:*
ACC 635 Principles of Forensic Accounting Pope
Course Pack 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 Course Pack.
8. To access your Course Pack again later, go to 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 Course Pack should be directed to support@heliosdigital.com or you may call (312) 789-4470.
ACC 635 Course Syllabus

Pre-class reading: *Chapter 1: Ethics At Work* in Pearson Custom text

Week 1: First Day of Class
1/4/16
Course introduction from 6-6:30 and then Uber to Roosevelt Collection to see the Big Short at 7:10 pm.
**Homework:** 2 paragraph reflection paper on the *Big Short*.

Week 2:
1/11/16
In-class e-case discussion:
- *How Fraud Begins* e-case
- *The Truth About Dishonesty* video
  - https://www.youtube.com/watch?v=XBmJay_qdNc
- *Good Intentions Bad Outcomes* e-case
**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.

FRAUD SCHEMES
In-class e-case discussion:
1. *House of Cards*
In-class readings:
1. ACFE Report to the Nations 2014
     - 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 4: UNDERSTANDING EMBEZZLEMENT
1/25/16
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*
Homework:
1. E-case: *Going South: Lessons Learned from the HealthSouth Fraud*. Please complete the assessment questions at the end of the e-case.
2. *Chapter 1: Introduction to the Problem of Accounting Fraud* Pearson custom text.
3. Read *Lessons from the HealthSouth Fraud: An Insider’s View* (article copy on D2L).
4. Submit a fraud current event on financial statement fraud.

Week 5: UNDERSTANDING FINANCIAL STATEMENT FRAUD Part 1
2/1/16
In-class e-case discussion: *Going South: Lessons Learned from the HealthSouth Fraud*
In-class readings:
1. HealthSouth Special Audit Committee Report
2. *Chapter 4: WorldCom Wizardry: From WorldCom to WorldCon* in Pearson custom text.

*Homework reading: Chapter 3: The Sizzling Saga of Sunbeam in Pearson custom text.*

Week 6: UNDERSTANDING FINANCIAL STATEMENT FRAUD Part 2
2/8/16
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 Dixon auditors

*Homework reading: 99 Problems e-case and assessment questions.*

Week 7: 99 Problems discussion and Foreign Corrupt Practices Act
2/15/16
Discuss midterm exam review sheet.
Homework: Prepare for the midterm exam. Exam review sheet will be passed out in class.

Week 8: MIDTERM (in class)
2/22/16
In class project: FRAUD GAME DESIGN

Week 9
2/29/16
In-class research project: FRAUD GAME DESIGN
Understanding Ponzi Schemes
WEEK 10
3/7/16
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