

San José State University
Lucas College and Graduate School of Business
Department of Accounting and Finance
Spring Semester, 2015

Forensic Accounting - BUS1 220I-01

Monday/Wednesday 1:30 – 5:30 April 22 – May 27, 2015

(There is no class on Monday, May 25th, Memorial Day holiday.)

Instructor:	Dr. Maria L. Bullen
Office Location:	BT 956
Telephone:	(408) 924-3433 (Please use Email rather than voicemail for messages.)
Email:	maria.bullen@sjsu.edu
Office Hours:	Monday / Wednesday 12:15 – 1:15 Tuesday / Thursday 10:30 – 11:30 and by appointment
Class Days/Time:	Monday / Wednesday 1:30 – 5:30
Classroom:	BBC 003

Course Description

This course will examine the frauds perpetrated on companies and methods of discovery. The criminal justice system will be reviewed and litigation support services provided by accountants to attorneys, including damage computations and testifying techniques and skills will be covered.

In so doing the course provides an overview of forensic and investigative accounting, including providing an understanding of the nature and development of forensic accounting, an understanding of fraudulent financial reporting and employee fraud and how to detect and prevent these accounting crimes, courtroom procedures and litigation management and support, cybercrime management, and business valuations. Included in course discussion are indirect methods of reconstructing income, money laundering, computation of economic damages, and forensic accounting in action.

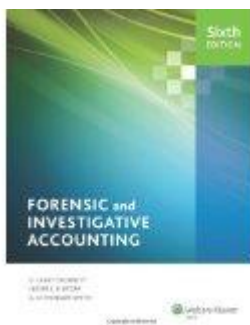
Course Goals and Student Learning Objectives

1. Understand the nature and development of fraud and forensic accounting, the means, sources, motivation and contributing factors of fraudulent financial reporting, and how to detect fraud in financial statements
2. Understand the definition of employee fraud, fraud schemes, types of misappropriations, and fraud prevention techniques.
3. Understand indirect methods of reconstructing income and money laundering, litigation management and support, and related issues.
4. Understand cybercrime management and related issues.
5. Understand the nature of litigation support services provided by accountants to attorneys including testifying techniques and skills as well as business valuation and computation of economic damages techniques.

Dropping and Adding

Students are responsible for understanding the policies and procedures about add/drops and students should be aware of the current deadlines and penalties for adding and dropping classes.

Required Textbook: Please note that you need the 6th edition. This book is all that you need. You do not need an “access code” or a separate casebook.



Forensic and Investigative Accounting (6th Edition)

Aug 1, 2013

by Professor D. Larry Crumbley, PhD, CPA, CFF, CrFA and PhD Lester E. Heitger

ISBN 978-0-8080-3487-2

Grading Policy

Grading will be based on a percentage of total course points earned during the semester.

Course Component	Percentage of Final Grade
Canvas Quizzes	45% (Highest 13 of 14)
Exams (4 at 12% each)	48% (Must take all 4)
Class Project*	4%
Guest Speaker Writeups	3%
Total	<u>100%</u>

- Description of class project (done individually or in groups of two or three) may be found at end of syllabus.

Grade Overall Percent Earned

A+	97 - 100
A	93 - 96
A-	90 - 92
B+	87 - 89
B	83 - 86
B-	80 - 82
C+	77 - 79
C	73 - 76
C-	70 - 72
D+	67 - 69
D	63 - 66
D-	60 - 62
F	Below 60

Incomplete Grades – Strict Requirements

Incomplete Grades – Extremely Rare Strict Emergency Requirements

Incompletes are only granted under extremely rare circumstances and would only be granted in this class in the event of an extreme emergency documented by a medical professional--and if all the requirements for an Incomplete have been met.
<http://info.sjsu.edu/web-dbgen/narr/schedules/rec-12234.12312.12338.12343.html>

College of Business Classroom Policies and Procedures

These are included in <http://www.sjsu.edu/cob/Students/policies/> which also shows College of Business Program Goals and printing policies, and also shown below:

To ensure that every student, current and future, who takes courses in the Boccardo Business Center has the opportunity to experience an environment that is safe, attractive,

and otherwise conducive to learning, the College of Business at San José State has established the following policies:

Eating:

Eating and drinking (except water) are prohibited in the Boccardo Business Center. Students with food will be asked to leave the building. Students who disrupt the course by eating and do not leave the building will be referred to the Judicial Affairs Officer of the University.

Cell Phones:

Students will turn their cell phones off or put them on vibrate mode while in class. They will not answer their phones in class. Students whose phones disrupt the course and do not stop when requested by the instructor will be referred to the Judicial Affairs Officer of the University.

Computer Use:

In the classroom, faculty allow students to use computers only for class-related activities. These include activities such as taking notes on the lecture underway, following the lecture on Web-based PowerPoint slides that the instructor has posted, and finding Web sites to which the instructor directs students at the time of the lecture. Students who use their computers for other activities or who abuse the equipment in any way, at a minimum, will be asked to leave the class and will lose participation points for the day, and, at a maximum, will be referred to the Judicial Affairs Officer of the University for disrupting the course. (Such referral can lead to suspension from the University.) Students are urged to report to their instructors computer use that they regard as inappropriate (i.e., used for activities that are not class related).

Academic Honesty:

Faculty will make every reasonable effort to foster honest academic conduct in their courses. They will secure examinations and their answers so that students cannot have prior access to them and proctor examinations to prevent students from copying or exchanging information. They will be on the alert for plagiarism. Faculty will provide additional information, ideally on the green sheet, about other unacceptable procedures in class work and examinations. Students who are caught cheating will be reported to the Judicial Affairs Officer of the University, as prescribed by Academic Senate Policy S04-12.

Further Explanation of Class Policies from Dr. Bullen

Class Project

Information on the class project is provided at the end of this syllabus. The project writeup and presentation may be done individually or in groups of two or three people. Collaboration on the project is encouraged. However, as noted in the assignment instructions, more work is required if the assignments are done on a group basis. Please note that assignment presentations will be made after the exam on the last day of class, Wednesday, May 27th.

Canvas Quizzes

Please see class schedule at the end of this document for quiz due dates which will also be shown in Canvas Calendar as quizzes are made available on Canvas. We are covering 14 chapters and there is a quiz for each of these chapters. Your top 13 quiz grades out of 14 will count. Please note that unless otherwise specified, quizzes are due on 11:59 on the due date. For all quizzes, please plan to finish up a few minutes before the time deadline since your clock may be slightly different than that of Canvas.

In Class Examinations

As preparation for the in class examinations, you are encouraged to review your quiz questions, as the exam will contain a number of similar questions. In addition, you are encouraged to attend class as some test questions may come from additional material discussed in class. For certain chapters study guides will give guidance on some additional test questions, usually involving calculations.

The four closed book tests are held in the classroom and no collaboration is allowed. For the examinations, please sit every other seat. The tests are closed book and no notes or scrap paper are allowed. There will be enough room on the test sheets to do your work.

For each test you will need a standard 50 question (on each side) Scantron 882-E form measuring approximately 4 inches by 11 inches, available from the Spartan bookstore. You will also need a simple calculator that adds, subtracts, multiplies and divides. Any kind of device that connects to the Internet or stores data is absolutely not allowed.

Cell phones, iPads, computers, purses, backpacks, binders and all other personal belongings must be off your desk. Google glasses are not allowed. Again please note that you cannot use a cell phone calculator or other type of device that either connects to the internet or can store data. You may only use a simple calculator that adds, subtracts, multiplies and divides. You must use the calculator on your desk, not in your lap.

Please note that all exams must be taken in class at the specified date. In the event that an exam must be missed for an extremely important reason such as serious accident or illness, please contact me immediately (email best). If you miss an exam, you will be required to provide written documentation from a professional third party, such as a hospital or medical doctor (not a family member or friend). You will need to make up your exam as quickly after your emergency. Remember you may only delay taking an exam for an extreme and documented emergency. Hopefully no just catastrophe befalls anyone during the five week session—or afterwards.

If you get in a serious accident and it is absolutely not possible to do a makeup on a timely basis and you qualify, it is possible (though not guaranteed) that you may be able to get an Incomplete in the class. However please note that Incompletes are very rare and Incompletes would only be approved if all the requirements for an Incomplete have been met, and the reason is an extremely important emergency of a non academic nature.

Guest Speakers

As noted on the class schedule, several guest speakers will be visiting during the session on Wednesdays April 29th, May 13th and May 20th. It is very important that you are present for their presentations and provide your undivided attention! You will earn 1% on each date of the guest visits by attending the presentation and writing a paragraph (about 100 words) on some main points that you learned. Submit your writeup to the appropriate Assignment Dropbox in Canvas.

Calculator, Computer and Cell Phone Usage and other Classroom Protocol

It would be a good idea to bring to class a simple calculator so that you can join in working out forensic accounting problems.

As noted in the College of Business policies, computers should only be used in the classroom for class related activities that are currently going on. Multi-tasking doing other activities during class is not productive—and is likely to be distracting to other students, especially if there are people sitting behind you. Although you should avoid it, if you think you may use a computer in class for anything other than class business, it is recommended that you sit in the back of the classroom to avoid distraction to other students.

Cell phones should be turned off and put away. Please refrain from texting during class because in addition to being distracting to your learning, texting may also be distracting to other students. Also please avoid non class related activities on your tablet or laptop.

In addition please try to avoid or keep to an absolute minimum walking in and out of the classroom. Aim to take care of your personal business during classroom breaks. Also please avoid coming to class late, especially making a habit of coming in late multiple times.

When guest speakers are making their presentations, it is extremely important to give them your undivided attention. This is a time when you absolutely should not be doing any multi-tasking at all! In addition please do not get up and walk out while the guest is speaking. Thank you for your full cooperation!

University Policies

Academic integrity

Students should know the University's Academic Integrity Policy that is available at http://www.sa.sjsu.edu/download/judicial_affairs/Academic_Integrity_Policy_S07-2.pdf Your own commitment to learning, as evidenced by your enrollment at San Jose State University and the University's integrity policy, require you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The website for Student Conduct and Ethical Development is available at http://www.sa.sjsu.edu/judicial_affairs/index.html

Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 at 97-03 at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the Accessible Education Center (AEC) to establish a record of their disability. Presidential Directive 97-03 at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the Accessible Education Center (AEC).

Possible Optional Student Resources (for this or other classes)

Student Technology Resources

Computer labs for students in the Lucas College of Business. See website below for more information. Computer labs for student use are also available in the Academic Success Center located on the 1st floor of Clark Hall. Please see <http://www.sjsu.edu/at/hd/index.html> Additional computer labs are also available in Lucas College and Graduate School of Business. Please see: <http://www.sjsu.edu/cob/Students/computing/index.html>

Computers are also available in the Martin Luther King Library. A wide variety of audio-visual equipment is available for student checkout from Media Services located in IRC 112. These items include digital and VHS camcorders, VHS and Beta video players, 16 mm, slide, overhead, DVD, CD, and audiotape players, sound systems, wireless microphones, projection screens and monitors.

SJSU Writing Center

The SJSU Writing Center is located in Room 126 in Clark Hall. It is staffed by professional instructors and upper-division or graduate-level writing specialists from each of the seven SJSU colleges. Our writing specialists have met a rigorous GPA requirement, and they are well trained to assist all students at all levels within all disciplines to become better writers. The Writing Center website is located at <http://www.sjsu.edu/writingcenter/>

ACCT 220I Forensic Accounting Course Schedule:

Class	Date	Coverage / Exam
1	Wed. April 22	Introduction to course and Ch 1: Introduction to Forensic and Investigative Accounting, Ch. 2: Forensic Accounting Education, Institutions, and Specialties, Ch. 3: Fraudulent Financial Reporting
2	Mon. April 27	Ch. 4: Detecting Fraud in Financial Reporting and Ch. 5: Employee Fraud: The Misappropriation of Assets <i>Ch. 1 Quiz due in Canvas</i>
	Tues. April 28	<i>Ch. 2 Quiz due in Canvas</i>
3	Wed. April 29	Guest Speaker: Boyd Smith, CPA Ch. 6: Indirect Methods of Reconstructing Income, and Ch. 7: Money Laundering and Transnational Financial Flows <i>Ch. 3 Quiz due in Canvas</i>
	Thurs. April 30	<i>Ch. 4 Quiz due in Canvas</i>
	Friday, May 1	<i>Ch. 5 Quiz due in Canvas</i>
	Saturday, May 2	<i>Ch. 6 Quiz due in Canvas</i>
	Sunday, May 3	<i>Ch. 7 Quiz due in Canvas</i>
4	Mon. May 4	Partial Review Chs. 4 – 7 and Exam 1 on Chapters 4 - 7
5	Wed. May 6	Ch. 8: Litigation Services Provided by Accountants, Ch. 9: Proper Evidence Management, and Ch. 10: Commercial Damages
	Friday, May 8	<i>Ch. 8 Quiz due in Canvas</i>
	Saturday, May 9	<i>Ch. 9 Quiz due in Canvas</i>
	Sunday, May 10	<i>Ch. 10 Quiz due in Canvas</i>
6	Mon. May 11	Partial Review Chs. 8 – 10 and Exam 2 on Chs. 8-10.
7	Wed. May 13	Guest Speaker: Chadwick Manning of Armanino LLP (formerly of PwC) Ch. 11: Litigation Support in Special Situations and Ch. 12 Computing Economic Damages
	Saturday, May 16	<i>Ch. 11 Quiz due in Canvas</i>
	Sunday, May 17	<i>Ch. 12 Quiz due in Canvas</i>
8	Mon. May 18	Partial Review Chs. 11 – 12 and Exam 3 on Chs. 11-12.
9	Wed. May 20	Guest Speaker: Ron Schirle, CPA, and Richard (Dick) Oehrle, Ph.D. of Ernst & Young Ch. 16: Cybercrime Loss Valuations and Ch. 17: Business Valuations
	Sunday May 24	<i>Ch. 16 Quiz due in Canvas</i>
	Mon. May 25	Memorial Day Holiday – No Class
	Tues. May 26	<i>Ch. 17 Quiz due in Canvas</i>
10	Wed. May 27	Exam 4 on Chs. 15-17 first part of class; Student Presentations

Description of Project

You may do this project individually or in groups of two or three people. Research and report on a company or government entity that has had an accounting or financial scandal. So that the same organization is not being repeated multiple times in presentations, please let me know of your interest in presenting on a particular company or government entity. Email me at maria.bullen@sjsu.edu. Include names of group members and copy them on this email. You may wish to provide your first and second choices. I will periodically email the class to let you all know which organizations have been taken.

Possible Choices

Enron (Include Arthur Andersen in your discussion) (2001)
Waste Management (1998)
Tyco International, Ltd. (2002)
Global Crossing (2002)
WorldCom (2002)
Martha Stewart Living Omnimedia (2001-2004)
Adelphia Communications (2002)
Computer Associates International, Inc. (2001-2006)
Fannie Mae (1998-2004)
Freddie Mac (2003-2007)
American International Group (AIG) (2005)
HealthSouth (2003-2007)
Qwest Communications International, Inc. (2005)
Lehman Brothers (2008)
Bernie Madoff Scandal (2009)
Saytam Scandal (India) (2009)
Sunbeam (late 1990s)
Parmalat (late 1990s, early 2000s)
City of Bell, CA Scandal (late 2000s)

Part 1: Short Paper

Write a short paper on your company providing information on the nature of the fraud and the results or consequences. You may wish to include your insights on how you think this fraud could have been prevented. It is acceptable to use information from various sources as long as your sources are documented. If you go on the internet to a search engine and put in the company name and fraud after it, you will come up with some sources. Please acknowledge your source when you use that information. Again it is fine to take material from websites, the text, or other sources just as long as you identify your source. Although you may use sources, avoid direct copying word for word--but tell the story as much as possible in your own words.

Approximate Number of Words for Short Paper

Individual: 400 – 500 words

Group of two: 500 – 700 words

Group of three: 700 – 900 words

Please submit your PowerPoint in the Canvas Assignment Dropbox by the night of your presentation, May 27th. Only one member of a group needs to submit, but please be sure to include all group members' names on document.

Part 2: PowerPoint and Live Presentation (May be done individually or in groups of two or three people.)

Presented in Class Last Class May 27th (after Exam 4)

Develop a PowerPoint Presentation slides to turn in electronically and present to the class.

Please consider bringing your presentation to class on a USB flash drive. The reason is to speed up access to your presentation. You do not need to give me the flash drive. Please submit your PowerPoint in the Canvas Assignment Dropbox by the night of your presentation, May 27th. Only one member of a group needs to submit, but please be sure to include all group members' names on document.

Approximate Number of Slides Expected	Approximate Time
Individual: 6 - 8 slides	5 minutes
Group of Two: 9 - 10 slides	8 - 10 minutes
Group of Three: 11 - 12 slides	12-15 minutes

Individual presentations may take up to approximately 5 minutes.

Two person presentations may take up to 10 minutes and groups of three may take up to 15 minutes. **Everyone must participate in the presentation.**

Course Changes

This syllabus provides a general plan for the course. If any changes must be made to the Syllabus, the changes will be communicated to students, including through SJSU e-mail.