

**ACCT 490**  
**Fraud Detection and Investigation**  
**Spring 2009**

<b>Instructor</b>	Bob Schoener	<b>Office</b>	GU414
<b>Office Hours</b>	M\W 9 am -11am and T\Th By appointment	<b>Office Phone</b>	646-1520
<b>Class Room</b>	BC 102	<b>Email</b>	Use WebCT
		<b>Class Hour</b>	T\Th 1:10-2:35

**Introduction and Objectives:** ACCT 490 covers the issue of fraud as it is occurring in American business and, to a limited extent, in society. The class will be conducted as a seminar. The objectives and goals of the course are as follows:

- To differentiate among the various forms of fraud and embezzlement
- To understand the fraud triangle and apply it in various contexts
- To increase your understanding of fraud prevention and the role of internal controls
- To identify specific internal controls related to the various forms of fraud
- To understand the nature of and a framework for detecting financial statement fraud
- To understand basic types of consumer fraud

**Required Course Materials:**

- *Text:* Albrecht, et al t, Fraud Examination, 2009

**Fraud Related Articles:** From time to time I will be posting fraud related articles to the course WebCT site. We will discuss them in class. It is your responsibility to read and analyze the articles before the next class after they are posted. The articles discussed will be covered in the Exams.

**Case Studies:** Throughout the course we will be working with case studies related to the assigned subject matter. Some of these case studies will be assigned before class and some will be presented in class. We will use a combination of individual analysis and small group analysis to discuss them. Two case study analyses will be collected and graded.

**Class Approach:** The class size has been limited to allow the course to be conducted in a discussion/small group exercise format. I intend to keep lectures to a minimum. The material is not so exotic or complex that it requires a detailed explanation to insure your understanding. The content builds on the accounting knowledge you have gained from your course work to date. The intent is to begin building your analytical and critical thinking skills in the subject area. You **must** be prepared to discuss all assigned text, article readings and assigned case studies before class starts. You will be expected to contribute to discussions and to respond to questions I might pose on the material during class.

**Small Group Work:** Frequently during the course you will be assigned to work with two or three others in the class to analyze a case study or an assigned article. To excel in this course you must

make a contribution to this team analysis. As you are involved in these tasks, I will be observing the work of your groups and assessing your individual contributions over the semester.

**Grading:** ACCT 490 is graded on a weighted total-points basis, with points coming from these sources:

- *Exams:* There will be three (3) exams during the semester – There will not be a comprehensive final exam.
- *Quizzes* – There will be a 5 question quiz on the assigned reading at the beginning of each class where a reading assignment has been made. I expect there will be 15-18 quizzes-I will count the highest 15 for 75 possible points. I will discard your lowest 5 quizzes.
- *Case studies:* During the semester, three case studies will be assigned as homework and will be collected and graded..
- *Weighting:* Final points will be calculated according to these weights:

Source	Points
Exams (3)	300
Quizzes	75
Case studies	75
<b>Total Available Points</b>	<b>450</b>

- *Final Grades:* Your final grade will be determined by the standard 89.5% or better = A, 80% - 89.5% = B, 70% - 79.5% = C, 60% - 69.5% = D and below 60% = F.

**Attendance Policy:** Attendance is your responsibility. Attendance will not be taken but you are responsible for all materials and discussions presented during class. Absences during graded in-class activities result in a zero for that activity unless the absence is excused under University Student Handbook guidelines or prior arrangements are made.

**Academic Misconduct:** Cheating (i.e. fraud on your fellow students) is not tolerated in this course or in the College of Business. All work (tests, assigned case studies and projects) is to reflect your individual effort unless otherwise stated. If you are found to have cheated in any work, you will be subject to the maximum punishment allowed by the University.

**Late Assignments Policy:** The two projects are due in class on the due date. Unless mitigated by an excused absence, late assignments will receive a 10% penalty for each weekday it is late (a weekend counts as one weekday.) An assignment will not be accepted if it is more than four weekdays late.

**Make-up Policy:** Make-ups for assignments, quizzes and tests are given only for University sanctioned excuses (see NMSU Student Handbook.) Schedule conflicts are handled on a case-by-case basis. If you know in advance of a test you will miss due to a University activity or other sanctioned excuse, please see me prior to the test date.

**Grading Errors and Appeals:** If you think there was an error in grading or that the grade you received on a test question or project did not reflect your work, please give me a written memo *within 7 days of your receipt of the grade in question* outlining the error and attach it to the original test/project and give them both to me. Simple errors such as a mistake in adding points can be handled in office hours without a memo.

**Late Add/Registration:** Anyone who misses the first few classes due to late registration is considered absent and not eligible for make-ups except as we may agree. Late-adds are responsible for all in-class materials and lectures.

**Incomplete (“I”) Grades:** Incompletes are given only if you are passing the course (i.e., have at least 60% of the possible points) up to the time something happens to prevent further attendance/participation. Appropriate circumstances include documented illness or documented death or crisis in your immediate family. The NMSU Course Catalog states that job-related circumstances are not grounds for assigning an “I” grade. Removal of the “I” grade will require that you re-register for the class and successfully complete the ENTIRE class in a subsequent semester.

**ADA Statement:** If you have or think you may have a disability that interferes with your academic progress, you may wish to self-identify by contacting the Services for Students with Disabilities (SSD) Office located in Garcia Annex (phone: 646-6840 or TTY: 646-1918) to register. If you have already registered, please make sure I receive a copy of the accommodation memorandum from SSD within the first two weeks of classes. It will be your responsibility to inform either me or an SSD representative (in a timely manner) if the services/accommodations provided are not meeting your needs.

If you have a condition that may affect your ability to exit safely from the premises in an emergency or that may cause an emergency during class, you are encouraged to discuss any concerns with me or with the SSD Coordinator. Feel free to call EEO/ADA & Employee Relations office, at 646-3333 with any questions about the Americans with Disabilities Act (ADA) and/or Section 504 of the Rehabilitation Act of 1973. All personal and medical information is treated in the strictest confidence.

**ACCT 490 – Schedule – Spring 2009**

<b>Class Date</b>	<b>Topic</b>	<b>Reading</b>	<b>DUE</b>
1/15	Introduction & Course Overview		
1/20	Nature & Types of Fraud	Chapter 1	
1/22	Why people commit fraud	Chapter 2	
1/27	Basic Accounting Concepts	<a href="http://www.quamut.com/quamut/accounting_basics">www.quamut.com/quamut/accounting_basics</a>	
1/29	Basic Accounting Concepts	<a href="http://www.quamut.com/quamut/accounting_basics">www.quamut.com/quamut/accounting_basics</a>	
2/3	Internal Controls	Internal Control reading handout	
2/5	Symptoms of Fraud	Chapter 5	
2/10	Symptoms of Fraud	Chapter 5	
2/12	Proactive Approaches to Detecting	Chapter 6	
2/17	Proactive Approaches to Detecting	Chapter 6	
2/19	Investigating Concealment	Ch 7 (208-209 only), Ch 8	<b>Case 1</b>
2/24	Conversion Investigation Methods	Albrecht, Ch 8, IRS Handout	
2/26	Conversion Investigation Methods	Albrecht, Ch 8, IRS Handout	
3/3	<b>Exam 1</b>		
3/5	Skimming/Larceny	Hand out reading	
3/10	Billing Schemes	Hand out reading	
3/12	Billing Schemes	Hand out reading	
3/17	Check Tampering Schemes	Hand out reading	<b>Case 2</b>
3/19	Check Tampering Schemes	Hand out reading	
<b>3/23-27</b>	<b>Spring Break</b>		
3/31	Expense Reimbursement & Payroll Schemes	Hand out reading	
4/2	Non-cash Assets	Hand out reading	
4/7	<b>Exam 2</b>		
4/9	Financial Statement Fraud-Overview	Chapter 11	
4/14	Revenue and Inventory Fraud	Chapter 12	
4/16	Revenue and Inventory Fraud	Chapter 12	
4/21	Liability and Expense Fraud	Chapter 13, pp 447-459	
4/23	Other Asset & Disclosure Fraud	Chapter 13, pp 459-478	<b>Case 3</b>
4/28	Consumer Fraud	Chapter 15	
4/30	<b>Exam 3</b>		