University of Southern Illinois – Carbondale
School of Accountancy
Accountancy 468 – Forensic Accounting
Spring 2014 – Syllabus

Instructors: Marcus Odom, PhD & James Cali, CPA, CFF, CGMA
Class Time: Thursday from 5:45 p.m. until 8:30 p.m. and Online Video Lecture
Classroom: Rehn Hall 18
Office Hours: By Appointment – (Please note that I do not have an office on campus)
Phone: (954) 261-2136
E-Mail: jcali@business.siu.edu or jcali@siu.edu or forensicaccounting1984@yahoo.com

Course Format: The Forensic Accounting course will be offered in a “Hybrid” Lecture Format. Approximately half of the time the class will meet in a classroom employing traditional face-to-face lectures. For the remainder of the classes students will be required to go online to view videos of the lectures.

Course Description: This course is designed to apply your accounting, auditing, information systems, and communications skills to:

- Detect financial discrepancies, irregularities, and unauthorized/unlawful acts
- Prepare clear, concise exhibits of financial transactions
- Present a fraud case for criminal proceedings and/or civil litigation
- Develop a comprehensive factual and financial evaluation of insurance claims

The course will discuss the role of the forensic accountant / expert witness in:

- **Financial Examinations** - fraud, theft, embezzlement, fictitious vendor schemes, tracing of matrimonial assets, money laundering, reconstruction of income and expenses.

- **Insurance** – fidelity bond claims, arson-for-profit, business interruption losses, personal injury, medical malpractice, workers’ compensation claims.

- **Litigation Support** – breach of contract claims, bankruptcy, product liability, business valuations, pre-trial conferences, interrogatories, depositions, mediation, arbitration, civil cases (plaintiff/defendant), and criminal cases (prosecution/defense), discovery, document production.

- **Digital Evidence** – capture of digital media, hard-drives, e-mails, deleted and/or overwritten files, data recovery and extraction.

An emphasis of the course will be upon the use of computer-based aids in forensic accounting.

In addition, the course will review content and material related to the ACFE - Certified Fraud Examiner (CFE) and the AICPA Certified in Financial Forensics examination and certification.

Some forensic accountants/expert witnesses or other guest speakers may visit to share their experiences and forensic, investigative, and claim calculation expertise to enhance the quality of this course.
**Course Objectives:**
- To develop intellectual curiosity, the ability to spot the unusual, and the tenacity to discover the cause.
- To have the willingness to scrutinize details, without losing sight of the big picture.
- To understand financial deception in order to detect it and to develop deterrence measures.
- To understand evidence-gathering and investigative procedures.
- To accept that everything you do will be challenged.
- To develop the confidence to handle the challenge and respond.
- To begin the development of your “Professional Skepticism.”
- To apply your computer skills.
- To produce exceptional quality written reports.
- To enhance your verbal presentation skills.
- To refine your time management technique.

**Text Book:**


**Course Reference & Resources Materials:**

Posted in the Desire 2 Learn (D2L) site for this course is my personal collection of Reference and Resources Materials that I have assembled over the years I have spent as a Forensic Accountant.

I am happy to share this information with you to enhance your Forensic Accounting education as it pertains to Financial Crimes, Civil Litigation and Economic Damages.

**Group Project:** As your group begins to work on the case, I believe that you will find the following Reference and Resources Materials helpful:
- ACFE Report to The Nation
- AICPA Fraud Guide
- Profile of a Fraudster
- Forensic Accounting & Financial Investigation Guide for Law Enforcement
- Irrational Ratios
- Common Question Evasion Tactics
- The Effective Use of Benford’s Law To Assist In Detecting Fraud In Accounting Data
- Forensic Accounting Reference Guide Indirect Methods For Reconstructing Income
- Hiding Money From a Spouse Gets Harder
# Course Schedule Part 1 – Subject to Revision

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
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</table>
| 1    | 1/16/14 | Chapter 1 - Introduction Forensic & Investigative Accounting  
Chapter 2 - Forensic Accounting Education, Institutions & Specialties  
**Attendance Mandatory** |
| 2    | 1/23/14 | **Group Project Assignments and Case Selection**  
**Group Project Discussion - Plaintiff(civil)/Prosecution(criminal)**  
**Group Project Discussion – Defense**  
**Attendance Mandatory**  
**Due: Assignment #1** |
| 3    | 1/30/14 | Chapter 3 – Fraudulent Financial Reporting  
Chapter 4 – Detecting Fraud in Financial Reporting  
**Due: Assignment #2** |
| 4    | 2/6/14  | Chapter 5 – Employee Fraud: The Misappropriation of Assets  
Case Study Presentation – Arson Insurance Claim Evaluations |
| 5    | 2/13/14 | Chapter 6 – Indirect Method of Reconstructing Income  
**Due: Assignment #3** |
| 6    | 2/20/14 | Chapter 7 - Money Laundering  
Public Records Searches  
Case Study Presentation – “Thou Shalt Not Steal”  
**Attendance Mandatory**  
**Due: Assignment #4** |
| 7    | 2/27/14 | Chapter 8 - Litigation Services Provided by Accountants  
Chapter 9 – Proper Evidence Management  
**Due: Assignment #5** |
| 8    | 3/6/14  | **Mid-Term Exam on D2L** |
Course Schedule Part 2 – Subject to Revision

<table>
<thead>
<tr>
<th>Week 9</th>
<th>3/13/14</th>
<th>Spring Recess – No Class!</th>
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| Week 10 Class | 3/20/14 | Chapter 10 – Commercial Damages  
Group Project – Discovery (In Class)  
Attendance Mandatory |
|-------------|---------|-----------------------------|

| Week 11 Video | 3/27/14 | Chapter 12 – Computing Economic Damages  
Group Project Assignment Due: A draft of the Financial Section and the Methodology Section of your Forensic Accountant’s Report. |
|-------------|---------|-----------------------------|

| Week 12 Video | 4/3/14 | Chapter 13 – Computer Forensics  
National Institute of Justice Mock Trial – Digital Evidence |
|-------------|---------|-----------------------------|

<table>
<thead>
<tr>
<th>Week 13 Video</th>
<th>4/10/14</th>
<th>Chapter 17 – Business Valuations</th>
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<thead>
<tr>
<th>Week 14 Class</th>
<th>4/17/14</th>
<th>Group 1, 2, 3, 4 Presentations - Attendance Mandatory</th>
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</table>

<table>
<thead>
<tr>
<th>Week 15 Class</th>
<th>4/24/14</th>
<th>Group 5, 6, 7, 8 Presentations - Attendance Mandatory</th>
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<table>
<thead>
<tr>
<th>Week 16</th>
<th>5/1/14</th>
<th>Final Exam on D2L</th>
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Grading Criteria:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Component</th>
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<tbody>
<tr>
<td>10%</td>
<td>Class Participation</td>
</tr>
<tr>
<td>10%</td>
<td>Homework Assignments</td>
</tr>
<tr>
<td>25%</td>
<td>Mid-Term Exam</td>
</tr>
<tr>
<td>30%</td>
<td>Group Project &amp; Presentation</td>
</tr>
<tr>
<td>25%</td>
<td>Final Exam</td>
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<tr>
<td>100%</td>
<td>Grand Total</td>
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**Homework Assignments – 10% of Grade:**

Assignments are posted in D2L. You are required to submit your completed assignment via the D2L DropBox on or before the due date. Assignments turned in late will be subject to a grade reduction penalty.

**Mid-Term and Final Exams – 50% of Grade:**

- The Mid-Term Exam (25%) will cover material presented in class from week 1 through week 7. The exam will include multiple choice questions, problems, and essay questions.
- The Final Exam (25%) will be cumulative and include multiple choice questions, problems, and essay questions.

**Group Project and Presentations – 30% of Grade:**

Each group will be responsible for making a presentation as the Forensic Accounting firm representing either the Plaintiff/Prosecution or the Defense.

- The Plaintiff/Prosecution presentation. Your group will be given a case to review and present as either an expert witness for the Plaintiff in a civil proceeding or as the Forensic Accountant (fact witness) for the Prosecution in a criminal case.
- The Defense presentation. Your group will serve as the Forensic Accountant (expert witness) for the Defense. In this role, you will have to develop a presentation that will challenge the case presented by the Plaintiff/Prosecution.
- In Week 2, the group assignments will be established and the information pertaining to your case will be distributed.
- In Week 10, Discovery will take place. Each group must submit a copy of the information, trial exhibits, reports, etc. that they plan to use in their presentation. The information obtained in Discovery should be used to assist you in preparing your final presentation.
- In Week 14 and 15, the group presentations will take place and **Attendance is Mandatory.** Using your forensic accounting investigation skills, your group will present an evaluation of the evidence to support your position. Each member of the group is required to participate.
• Your participation in the group is extremely important. **You will be responsible for maintaining a weekly timesheet to document your activity and progress.** You are responsible for submitting your weekly timesheets via the D2L DropBox. Please note that your timesheets will be used in computing your individual grade for the Group Project.

• In order to properly grade group member participation, you will be required to submit a performance evaluation for each member of your group. These performance evaluations will be taken into consideration in computing each group member’s individual grade.

**Class & Group Participation – 10% of Grade:**

It is expected that you will attend class, actively participate in the discussions, and maintain a positive attitude throughout the semester. Accept that everything you do will be challenged; therefore, your class participation is necessary to help you develop the confidence to handle the challenge and respond. In order to meet these expectations, you should be committed to the following:

• Come to class prepared and ready to enhance your intellectual curiosity.
• Complete the readings, research, homework, and assignments on time.
• Ask and/or answer questions and take the initiative to provide information that is relevant and/or useful to the class.

Class Participation is graded on a scale from 0 (lowest) through 10 (highest), using the following criteria:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Class Participation Criteria</th>
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<tbody>
<tr>
<td>0</td>
<td>Absent.</td>
</tr>
<tr>
<td>1 - 2</td>
<td>Present, not disruptive.</td>
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<tr>
<td></td>
<td>Tries to respond when called on but does not offer much.</td>
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<tr>
<td></td>
<td>Demonstrates very infrequent involvement in discussion.</td>
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<tr>
<td>3 - 4</td>
<td>Demonstrates adequate preparation: knows basic case or reading facts, but does not show evidence of trying to interpret or analyze them.</td>
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<td></td>
<td>Offers straightforward information (e.g., straight from the case or reading), without elaboration or very infrequently (perhaps once a class).</td>
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<tr>
<td></td>
<td>Does not offer to contribute to discussion, but contributes to a moderate degree when called on.</td>
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<td></td>
<td>Demonstrates sporadic involvement in group project.</td>
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<tr>
<td>5 - 6</td>
<td>Demonstrates good preparation: knows case or reading facts well, has thought through implications of them.</td>
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<td></td>
<td>Offers interpretations and analysis of case material (more than just facts) to class.</td>
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<td></td>
<td>Contributes well to discussion in an ongoing way: responds to other students’ points, thinks through own points, questions others in a constructive way, offers and supports suggestions that may be counter to the majority opinion.</td>
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<td></td>
<td>Demonstrates consistent ongoing involvement in group project.</td>
</tr>
<tr>
<td>Grade</td>
<td>Class Participation Criteria</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>7 - 8</td>
<td>Demonstrates excellent preparation: has analyzed case exceptionally well, relating it to readings and other material (e.g., readings, course material, discussions, experiences, etc.). Offers analysis, synthesis, and evaluation of case material, e.g., puts together pieces of the discussion to develop new approaches that take the class further. Contributes in a very significant way to ongoing discussion: keeps analysis focused, responds very thoughtfully to other students' comments, contributes to the cooperative argument-building, suggests alternative ways of approaching material and helps class analyze which approaches are appropriate, etc. Demonstrates an ongoing and active involvement in the group project.</td>
</tr>
<tr>
<td>9 - 10</td>
<td>Volunteers to be Group Captain Demonstrates excellent preparation: has analyzed case exceptionally well, relating it to readings and other material (e.g., readings, course material, discussions, experiences, etc.). Offers analysis, synthesis, and evaluation of case material, e.g., puts together pieces of the discussion to develop new approaches that take the class further. Contributes in a very significant way to ongoing discussion: keeps analysis focused, responds very thoughtfully to other students' comments, contributes to the cooperative argument-building, suggests alternative ways of approaching material and helps class analyze which approaches are appropriate, etc. Demonstrates a very active involvement in group project.</td>
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**Attendance Policy:**
Attendance will be taken. Unexcused absences in class and at group meetings by and large will have an adverse impact on your grade. Excused absences for documented illness, medical emergencies, family emergencies, and/or unavoidable job interviews will be reviewed and evaluated on a case by case basis.

**Classroom Etiquette:**
Professionally speaking, you never want to be late for a meeting with your clients, so with that thought in mind, kindly be ready to begin class on time. Prior to the start of class, be sure to turn off your smart phone, or place it in silent mode. Allow for adequate time to deal with jackets, backpacks, and class materials without disturbing others. Respect your fellow students and your instructor by refraining from unwarranted side comments and personal conversations during class. Furthermore, you should never leave a meeting until your client has indicated the meeting is over.

**General Considerations:**
The Forensic Accounting course will be offered in a “Hybrid” Lecture Format. This class is scheduled to meet six (6) times during the semester. Each in class meeting will be for 2-1/2 hours. Please keep in mind that the duration of this class may be longer than your other classes. Therefore, in order to gain the most from this class it will take a real commitment from you.

There is a great deal of material that needs to be covered in each in-class meeting in order to achieve the stated Course Objectives. I will attempt to structure each class to accommodate a short break. Objections and complaints pertaining to deadlines and time commitments required for the successful completion of this class will generally not be viewed favorably.

Please keep in mind that the “real world” of the accounting profession has time constraints, deadlines, and pressure for “billable hours” which are far greater than your current academic life.
Statement on ADA:
As per 504 of the Vocational Rehabilitation Act of 1973 and the American Disabilities Act (ADA) of 1990, if accommodations are needed, because of a disability, if you have emergency medical information to share with me, or if you need special arrangements in case the building must be evacuated, please inform me immediately. Please see me privately after class, or contact me by email or phone. (see contact information listed above)

To request academic accommodations (for example, a notetaker), students must also register with the office of Disability Support Services (DSS) Woody Hall B150, at dsssiu@siu.edu, (618) 453-5738, TTY (618) 453-2293. DSS is responsible for reviewing documentation provided by students requesting academic accommodations, and for accommodations planning in cooperation with students and instructors, as needed.

Statement on Academic Dishonesty:
Academic honesty is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person’s work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards academic dishonesty as an extremely serious matter, with serious consequences that range from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, or collaboration consult the course instructor.

Statement on Intellectual Pluralism:
The University community welcomes intellectual diversity and respects student rights. Students who have questions concerning the quality of instruction in this class may address concerns to the Departmental Chair.

Course Evaluation: All students will have the opportunity to submit an anonymous evaluation of the instructor(s) and the course format at the end of the semester.
Additional Reference Material


