

Chaminade University
Master of Business Administration Program
MBA 780 - Fraud and Forensic Accounting
2011 Winter Quarter
January 13, 2011 through March 17, 2011

Fraud and Forensic Accounting
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COURSE PURPOSE

1. Introduce students to the topic of fraud and forensic accounting
2. Educate students about both the pervasiveness of and causes of fraud and white collar crime in our society
3. Discuss the impact of the Sarbanes Oxley legislation to our society
4. Study the common types of fraud experienced in society
5. Study actual frauds and how they occurred
6. Explore methods of fraud detection, investigation and prevention
7. Increase student's ability to detect material financial statement fraud
8. Teach students to be aware of frauds reported in the newspapers and other media
9. Discuss ethical considerations in the business world

SPECIFIC COURSE OBJECTIVES

At the completion of the class, the student should have the following understanding:

1. The nature of fraud
2. Who commits fraud and why
3. How prevalent fraud is in our society
4. What the Sarbanes Oxley legislation means to our society
5. The many types of fraud that exist in our society
6. How to recognize the symptoms of fraud
7. The proactive approaches to detecting fraud
8. How to prevent and fight fraud
9. How to investigate fraud
10. How to recognize financial statement fraud
11. How to recognize various other types of fraud and fraud schemes
12. How computers are used to commit fraud
13. What federal agencies are involved in fighting fraud in our society

TEXT

Fraud Examination, 3rd edition, by W. Steve Albrecht, CFE, South-Western Cengage Learning, copyright 2009, ISBN: 0-324-56084-2

TEACHING FORMAT/GUEST SPEAKERS

Class sessions will consist of lectures, class discussion, individual and group discussion and analysis of actual fraud case studies. The teacher has scheduled several guest speakers to come to the class and share their expertise in the field of fraud.

CLASS SUPPLEMENTS

The class discussions will be supplemented by various case studies and articles on fraud and by videos on fraud prepared by the Association of Certified Fraud Examiners (ACFE). The following are some of the videos that are available:

The Corporate Con: Internal Fraud and the Auditor

Making Crime Pay: How to Locate Hidden Assets

Introduction to Fraud Examination

Cooking the Books: What Every Accountant Should Know About Fraud

How to Detect & Prevent Financial Statement Fraud

Other People's Money: The Basics of Asset Misappropriations

Fundamentals of Computer Fraud

Making Crime Pay: How to Locate Hidden Assets

Investigating Swindles and Con Schemes

ATTENDANCE

Class attendance is required and encouraged; students who have to miss class should contact the teacher prior to the class by phone or email

PARTICIPATION AND HOMEWORK

Class participation will be an important part of the class and will be a significant part of the grade. Students are expected to read the assigned chapters and complete assignments before the class period covering the material.

TENTATIVE GRADING CRITERIA

| | |
|------------------|-----|
| Final exam | 200 |
| Fraud case study | 100 |
| Participation | 100 |
| Total | 400 |

COURSE GRADE

| | |
|---|-------------------------------------|
| A | 90 – 100% |
| B | 80 - 89% |
| C | 79 and below |
| F | Did not complete class requirements |

Specific letter grades will be assigned on the basis of the above grading scale. The instructor has the right to adjust the grading scale depending on circumstances that arise. In no event will the student receive a grade lower than that corresponding to their straight percentage.

GRADING PROCESS

Grades will be assigned based on the following criteria:

1. Final examination – This will be based on text material covered for the entire quarter, case studies and classroom discussion.
2. Fraud case study – Each student will select an actual fraud case that has been reported in the newspapers and do an in-depth analysis of the case. Each case selected will be done with the approval of the teacher. For the fraud case selected, the student will prepare a 20-30 minute verbal presentation to the class. The use of power point slides or overhead slides is encouraged. The presentation should include, but not be limited to the following:
 1. Background of the company
 2. Background of the major perpetrators of the fraud
 3. What the perpetrators did to commit the fraud
 4. Over what period did the fraud occur?
 5. How the fraud was discovered?
 6. What losses were involved in the fraud?
 7. How were the assets taken?
 8. How was the fraud concealed?
 9. If cash was not taken, how were the assets converted to cash?
 10. Were there red flags before the fraud was discovered?
 11. What were the motives behind the fraud?
 12. Who were the victims of the fraud?
 13. What penalties did the perpetrators of the fraud face for committing the fraud?
 14. How could the fraud have been prevented?
 15. What lessons we can learn from a study of this fraud?
3. Participation – Included in this category is attendance, promptness, contribution to class discussion, being prepared for class by reading the textbook and assigned material, and willingly participate in individual and group problem solving activities.