



The Forensic Accounting Educator

Summer 2015
Editor: D. Larry Crumbley
Louisiana State University

Volume 7, Number 1.

A MESSAGE FROM THE PRESIDENT

Hello FA members,

Another school year has finished, and the AAA annual conference is just around the corner. A lot has happened this year. We renamed our section the Forensic Accounting Section, our Journal of Forensic Accounting Research (JFAR)), is accepting paper submissions, and we had a fabulous mid-year meeting in Denver. Congratulations to Chris Skousen for putting together such a successful conference.

With the AAA annual meeting fast approaching, I hope you'll consider supporting the paper sessions and panels sponsored by our section. The list is included in this newsletter.

Also, coming up at AAA:

Boot Camp Sunday August 9: Steve Albrecht spoke at our midyear meeting and talked about the fun and challenges he has had in his career and especially the value being an expert witness. He told us his expert witness experiences added not only financial value to his life, but gave depth to his teaching, his service, and research. His talk was an inspiration to all who were there. To provide our section members with the opportunity to add this dimension to their careers, we have designed an all-day Boot Camp as an introduction to expert witnessing.

Some of the topics covered in the morning:

- The role of litigation consultants and expert witnesses including types of testimony
- A framework for damages
- Discovery, deposition, and trial testimony.

Some of the topics covered in the afternoon:

- Working with attorneys.
- Civil versus criminal cases.
- Types of cases (contract, anti-trust, tort, federal false claims act).
- Preparing for depositions and trial.
- Post-trial activities of expert witnesses.
- Both workshops are eligible for Continuing Professional Education (CPE) credit.



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- The boot camp instructors are Les Heitger (BKD Distinguished Professor of Forensic Accounting, Missouri State University) and Dick Riley (Louis F. Tanner Distinguished Professor of Public Accounting, West Virginia University). Together they have been experts on over 70 cases and have a combined 63 years of experience
- To register for "Everything You Ever Wanted to Know about Litigation, Testifying, and Expert Witnessing" Parts 1 and 2. (Workshop #21 and #31) through this link: <http://aaahq.org/Meetings/Annual-Meeting/Program/Workshops-Symposium>
- SNORT (Social Networking Opportunities for Research and Teaching). Our much anticipated social event where we have a chance to mingle with each other and bring prospective members to meet us in a casual, social setting. Tuesday, August 11th from 4:00 –5:30 at Howells & Hood (across the river from our hotel).
- Breakfast meeting: Wednesday morning 7:00 a.m. See the program for the room.

We are still a young section, and a very vibrant one. As my time as president ends, I want to thank all of you for stepping up and helping out when I asked, especially all of the committee chairmen and committee members, all those who have done things from running boot camps, to mid-year meetings, to annual meetings. It is always amazing to me how many of you have been so generous with your time and talents in serving our membership.

I look forward to seeing you in Chicago in August. Please consider inviting any friends and colleagues who might be interested in forensic accounting to our sessions and events and especially encourage your colleagues who have any interest in forensic accounting to join our section. For those of you who have been to our mid-year meetings, you can attest to the fact that our meetings are always more interesting than any other section!

Thanks for all your support,

Cindy Durtschi
President

Setting the Standard.
Raising the Bar.

Manuscripts and Fraud Detection Stories

Anyone wanting to submit short manuscripts, cartoons, fraud stories, letters to the editor, call for papers, or other items to *The Forensic Accounting Educator* should send the material to the senior editor, D. Larry Crumbley, at the address below

The Forensic Accounting Educator
D. Larry Crumbley, senior editor
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979.696.1245
Email: dcrumbl@lsu.edu

Call for Short Papers for the Next Issue

Playing Games in the Accounting Classroom

Do you utilize some form of game in your forensic accounting classroom? Describe your game, and how it is used, in a short manuscript. Your manuscript should be short (not over two to three pages single spaced). Submit your manuscript in Word or RTF format electronically to dcrumbl@lsu.edu.

Technology in the Classroom

In what ways do you use technology in the classroom? Do you use spreadsheets, videos, PowerPoint, or other technology in your teaching? What works and what don't work? Your manuscript should be short (not over two to three pages single spaced). Please submit your manuscript in Word or RTF format electronically to dcrumbl@lsu.edu.

A Letter from the President-Elect

Dear FA Section Members:

I would like to take this opportunity to introduce myself and to tell you something about what I hope our FA Section will be able to accomplish over the next two years. Like most seasoned veterans in forensic accounting, I got into the business quite by accident about 35 years ago. At the time I was a young faculty member in the Accounting Department at Indiana University. A truck driver while delivering parts to the Bloomington, Indiana RCA Assembly Plant backed his truck into the Plant's main power pole knocking out power to the plant for nearly three days. It was clear who was at fault, but there was a major difference of opinion as to the amount of damages that were caused by the event. The attorneys for RCA hired me to estimate the damages in the case. The attorneys for the defendant hired a different expert. The dispute went well for my client, and I began my career as a forensic accountant. Through the years I have testified in many different types of cases in state, local, and federal courts and in Federal Tax Court. I also have testified in mediations, arbitrations, and in other alternative dispute resolution cases.

About 18 years ago, the Dean at Indiana University asked me to create and teach a graduate course in forensic accounting. When I began looking for materials for the course, I found that there were very few places to go for such materials. Of course, now there is the FA Section of the AAA that offers many different resources to members, along with my textbook and others. Additionally, our section offers many opportunities to network with others who are teaching and researching in the area of forensic accounting. I cannot over emphasize the value of meeting and interacting with so many professionals that share similar interests in forensic accounting.

When I first started teaching forensic accounting there were not many colleges and universities that offered forensic accounting courses. Now the number of courses and programs are growing. In my opinion in a decade or so, colleges and universities that do not offer their students any opportunity to be exposed to forensic accounting concepts and issues will be putting their students at a significant competitive disadvantage.

The FA Section of the AAA, like all sections, is only as good as its members. We grow and prosper as an organization with the participation and enthusiasm of our membership. Many members of our section believe strongly that we are blessed with a uniquely interesting and devoted membership. There are many ways that you can become an active member of our section. In particular, we want to encourage you to attend the AAA annual meeting and participate in our section activities. Many members believe that attending the mid-year forensic accounting section meeting is even more interesting and useful for forensic accountants because everyone at the meeting is keenly interested in our field. The mid-year meeting is held the last weekend of February each year.

Over the next two years I want to encourage each member of our FA Section to discuss with their colleagues the pervasive nature of forensic accounting and how it impacts virtually every area of accounting. We should also attempt to attract to our section, faculty members who understand that it is imperative that they become more familiar with the nature and flavor of the world of forensic accounting.

Les Heitger, CPA

BKD Distinguished Professor of Forensic Accounting

Missouri State University

Minutes for the F A Officers' Meeting

American Accounting Association Forensic

Accounting Section Executive Committee

Meeting

March 14,
2014

Executive Meeting Minutes

Present:

Cindy Durtschi – President
Les Heitger – President-Elect
Tim Louwers – Past President
Toby Bishop – Vice-President, Practice
Ronny Daigle – Secretary
Charles Bailey – Editor, *Journal of Forensic Accounting Research*
Chih-Chen Lee – Publications Committee
Chris Skousen – 2015 Midyear Research Conference Program Chair
Patricia Johnson – 2016 Midyear Research Conference Program Chair

- Cindy Durtschi called the meeting to order.
- A motion was passed that \$25 of the \$75 submission fee to the *Journal of Forensic Accounting Research* would be offered in the acknowledgement letter as a membership fee for the corresponding author to the Section, if not a member of the Section.
- The cost of the Section Breakfast at the AAA Meeting was discussed. Of the cost, the attendee pays \$20 and the Section pays the remainder. The cost for a hot breakfast is \$56 and the cost for a continental breakfast is \$46. Fees from the Section Boot Camp at the AAA Meeting underwrite the cost paid by the Section.
- An expert witness panel on Tuesday afternoon at the AAA Annual Meeting was discussed. With the Section Boot Camp also focusing on the topic of expert witnesses, it was agreed that the title of the panel should be made with consideration of the Boot Camp to avoid confusion. The panel could consist of a judge, prosecutor and expert witness.
- Future midyear sites were discussed, with Nashville, Charlotte, Orlando, New Orleans and Dallas identified. AAA will be given a list of these cities. The date of future midyear meetings was also discussed, with the last weekend in February chosen as preferable to avoid conflicts with other AAA meetings, beginning in 2016.
- Next year's midyear meeting was discussed. Patricia Johnson will be the Conference Program Chair, and Jan Morris will be her assistant. Jan will be the Conference Program Chair in 2017. It was suggested that planning for next year start early. Staying on top of communication with AAA is important. Commitments for reviewers should be obtained at the AAA Annual Meeting. The call for papers should be sent out by the time of the Annual Meeting, as well. The deadline for submission will be October 31. A suggestion was made to contact local CPA Society and ACFE chapters to increase attendance; if this suggestion is followed up on, a separate practitioner track might be necessary.

- It was suggested that a Section Lifetime Service Award be established. The proposed award does not have to be given annually, but instead when merited.
- It was suggested that the Section consider developing a “TED Talks”-type series involving prominent individuals in forensic accounting giving insights on particular topics.
- It was noted that one officer position will be up for election this year, that being President-Elect. (Ronnie Daigle was elected.)
- Cindy Durtschi adjourned the meeting at 5pm.

A Special Thank You to the Forensic
Accounting Section
Sponsors...



Forensic Accounting Section

Discover why so many of your colleagues find the FA the place to be.

* “Hockey great Wayne Gretzky advises that we need to go where the puck will be, rather than going to where the puck is now. Similarly, to become a great forensic accountant, you need to join and participate in the many valuable FA activities.”

**D. Larry Crumbley
Louisiana State University**

Forensic accounting issues are important to everyone in the AAA, for we all have a vested interest in enhancing the quality of the forensic and fraud education of accounting students. This section provides a forum that cuts across disciplines, specialty areas and geographic boundaries. As Gordon Brown said, “What the use of finger prints was to the 19th century and DNA analysis was to the 20th, forensic accounting will be to the 21st century.” The FA Section enables members to share their experiences, providing opportunities for linkage between large and small schools, educators and practitioners, and members worldwide. Use the attached form to apply for membership in the FA (you must also be a member of the AAA). Mail your application to AAA headquarters (5717 Bessie Drive, Sarasota, FL 34233-2399). Join today and become better connected to your colleagues and your profession.

GIVE THE FORM BELOW TO COLLEAGUES AND ENCOURAGE THEM TO JOIN!

Membership Application for the Forensic Accounting Section

ID# _____

Name _____

Address _____

Affiliation _____

Telephone: Office _____ **Home** _____ **Fax** _____

Dues Enclosed: \$25 (\$6.00 for students)

Payment method: Check enclosed (make payable to AAA) VISA MasterCard

Billing Address _____

Account Number _____ **Expiration date** _____

Signature _____

2015 Annual Meeting Sessions

Forensic Accounting Section

Monday August 10, 2015 — 10:15 am-11:45 am

1.27 Behavioral Insight into Fraud

Moderator: Dr. Neel Kamal Purohit, S. S. Jain Subodh P. G. College, Jaipur- India
(NASBA Field of Study: Accounting)

[An Examination of an Outcome Effects Model on the Formulation of Attitudes Toward Financial Statement Fraud](#)

Joseph C. Ugrin, Kansas State University; Marcus D. Odom, Southern Illinois University Carbondale;
Discussant: Timothy J. Fogarty, Case Western Reserve University

[Asset Misappropriation and the Economy: An Experiment](#)

D. Kip Holderness, West Virginia University; Jahangir Sultan, Bentley University;
Discussant: Eric Negangard, UVA - McIntire

[Will Professional Accountants Whistleblow on Organizational Fraud?](#)

Lynn H. Clements, Florida Southern College; Tara J. Shawver, King's College;
Discussant: Mariah Webinger, John Carroll University

Monday August 10, 2015 — 2:00 pm-3:30 pm

2.06 Enhancing Auditor Fraud Detection

Moderator: Mary-Jo Kranacher, York College, CUNY
(NASBA Field of Study: Accounting)

Panelists:

James Doty , PCAOB
Cindy Fornelli, CAQ
William Olsen, GT
Lynn Turner, LECG Corp. and former SEC Chief Accountant

Description: The investing public depends on financial reports to make economic decisions. Despite enhanced auditor education and training in the field of fraud detection, the problem of fraudulent financial reporting continues to plague global economies. The audit profession, although making strides in this area, are finding it difficult to keep up with the fraudsters. This panel session will include representatives from the PCAOB, CAQ, and large accounting firms, discussing why many material frauds are undetected during audits and how to improve this outcome.

Tuesday August 11, 2015 — 10:15 am-11:45 am

4.31 Policy Implications of Fraud

Moderator: Donald Larry Crumbley, LSU
(NASBA Field of Study: Accounting)

[A Fraud Triangle Perspective for Preventing and Detecting Academic Research Misconduct](#)

Donald Larry Crumbley, LSU; Donald Ariail, Kennesaw State University;

[Accounting fraud and the breakdown of board oversight](#)

Madeline A. Domino, Mercer University; Carmelita Troy, Andrews University;

[An Analysis of Tax Evasion Drivers in the Light of a Real World Evasion Case](#)

Mark J. Nigrini, West Virginia University;

[Crazy Numbers at Crazy Eddie Inc.](#)

Norbert Tschakert, Salem State University;

[Internal Control Material Weaknesses and Foreign Corrupt Practices Act Violations](#)

Chih-Chen Lee, Northern Illinois University; Hua-Wei Huang, National Cheng Kung University, Taiwan, R.O.C; Yi-Hung Lin, National Cheng Kung University, Taiwan, R.O.C.; Meghann Abell Cefaratti, Northern Illinois University;

Tuesday August 11, 2015 — 2:00 pm-3:30 pm

5.07 Tips and Techniques for Expert Witnesses

Moderator:
(NASBA Field of Study: Accounting)

Panelists:

Eileen Marutzky, CPA, JD, Former Deputy Chief, US Department of Justice, US Attorney's Office
Judge MaryAnne Mason, Illinois Appellate Court

Description: Based in Chicago, Adrienne LeFevre is one of the top litigation support experts in the country.

Tuesday August 11, 2015 — 4:00 pm-5:30 pm

6.08 Forensic Accounting Section Networking Opportunities for Research and Teaching

Moderator: Timothy Louwers, James Madison University
(NASBA Field of Study: Accounting)

Description: Network with fellow forensic accounting scholars in a relaxed environment.

6.09 Human Side of Financial Fraud

Moderator: Vasant Raval, Creighton University
(NASBA Field of Study: Accounting)

Panelists:

Barry J. Epstein, Principal, Epstein + Nach LLC

William (Bill) Foale, Fraud Investigation and Dispute Services, Ernst & Young LLP

Pamela R. Murphy, Associate Professor and E. Marie Shantz Fellow in Accounting and Director, Corporate Governance Center, Queens University, Canada.

Sridhar Ramamoorti, Associate Professor of Accounting and Director, Corporate Governance Center, Kennesaw State University

Description: The panel discussion will focus on various dimensions of the human side of actors that commit financial fraud, and of the non-actors. The dialogue will facilitate some understanding of current state of research, issues and challenges in searching for answers, model building, and possible future research agenda. Topics include, but are not limited to the following: Financial fraud as an interaction between organism and circumstances. - Human qualities, or lack thereof, potentially responsible for the compromise. - Role of narcissism, if any, in an act of financial fraud. - Key variables in the vast variety of circumstances at play in the act of fraud. - Role of controls in deterring the human side of fraud. - What part does self-efficacy play in the act of fraud? - Human factors that might explain why financial fraud normally starts small and snowballs later. - Why ordinary, decent executives with no prior record commit an act of fraud?

Wednesday August 12, 2015 — 10:15 am-11:45 am

7.04 Career Opportunities for Students

Moderator: Bill Black, University of North Georgia
(NASBA Field of Study: Accounting)

Panelists:

Chris Goddard, Meaden & Moore

Kevin D. Krebs, PricewaterhouseCoopers

Robert Lembach, Blue Cross Blue Shield

David Sinason, Northern Illinois University

Dan Vital, Blue Cross Blue Shield

Vincent R. Zehme, Internal Revenue Service

Description: Forensic accounting is a rapidly growing area of practice that offers diverse opportunities for our graduates, but many students focus only on Big Four accounting and consulting firms and consequently may miss other attractive possibilities. In particular, much forensic accounting work is required in the insurance claim area, yet many educators and students are unaware of the possibilities in that area, or in other meaningful contexts outside the big international firms. For the Chicago National Meeting, we will present a panel discussion showcasing career options for forensic accounting students. The target audience of the panel discussion is accounting educators looking for additional perspective to counsel their students about forensic accounting as a career choice. We will bring in senior representatives from a firm that deals with insurance claims, a law enforcement agency, a regional firm with a forensic practice, and a litigation specialty practice in a large firm, and get them to talk about what experience, coursework, and specific analytical skills will help candidates meet their requirements for success in this fast-growing area of practice.

2015-2016 FIA DIRECTORY				
Position	Volunteer Name	Volunteer Affiliation	E-mail Address	Comments
Officers				
President	Les Heitger	<i>Missouri State University</i>	LesHeitger@MissouriState.edu	1st year (of 2)
Past President	Cindy Durtschi	<i>DePaul University</i>	cdurtsch@depaul.edu	1st year (of 2)
President-Elect				
Vice President (from Practice)	Toby Bishop	<i>Independent Anti-Fraud Strategist</i>	fraudmeister@aol.com	2nd year (of 2)
Secretary	Ronald Daigle	<i>Sam Houston State University</i>	RJD005@SHSU.EDU	2nd year (of 2)
Treasurer	Carl Pacini	<i>University of South Florida</i>	cpacini@mail.usf.edu	2nd year (of 2)
Editors				
Newsletter Editor	D. Larry Crumbley	Louisiana State University	dcrumbley@lsu.edu	
Webmaster				
	Patricia Johnson	Canisius College	johnsonp@canisius.edu	
AAACommons Editorial Board Member				
AAA Council Representative	Timothy Louwers	<i>James Madison University</i>	louwertj@jmu.edu	3rd year (of 3)
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Membership Acquisition and Retention	Peter Lohrey	Montclair State University	lohreyp@mail.montclair.edu	Chair
	Connie O'Brien	Kutztown University of Pennsylvania	cobrien@kutztown.edu	

2015 Program (AAA Annual Meeting (Chicago, IL))	Siew Chan	<i>Nova Southeastern University</i>	schan1@nova.edu	
	Curtis Nichols	Bucknell University	cmn006@bucknell.edu	
2016 Program (AAA Annual Meeting (New York, NY))	Curtis Nichols	Bucknell University	cmn006@bucknell.edu	
2017 Program (AAA Midyear Meeting)	Jan Taylor Morris	Sam Houston State University	jtm017@SHSU.EDU	
2017 Program (AAA Annual Meeting (San Diego, CA))	Quin Song	Rochester Institute of technology		
Fraud in Governmental/NFP Entities	Oscar Harvin	Florida Atlantic University	oharvin@my.fau.edu	Chair
	Zabihollah "Zabi" Rezaee	The University of Memphis	zrezaee@memphis.edu	
Bylaw Review/Strategic Planning	Priscilla Burnaby	Bentley University	pburnaby@bentley.edu	Chair
	Royce D. Burnett	Southern Illinois University	broyce@cba.siu.edu	
	Lori R. Fuller	West Chester University	LFuller@wcupa.edu	
Nominating Committee	D. Larry Crumbley	Louisiana State University	dcrumbley@lsu.edu	Chair
	Kristina Demek	University of Central Florida	Kristina.demek@ucf.edu	
	Priscilla Burnaby	Bentley University	pburnaby@bentley.edu	
	Don Ariail	Kewnesaw State University		
	James A. Digabriele	Montclair State	digabrielej@mail.m	

		University	ontclair.edu	
IFRS & Fraud	Norbert Tschakert	Salem State University	ntschakert@salemstate.edu	Chair
	Graham Gal	University of Massachusetts	gfgal@isenberg.umass.edu	
	Zabihollah "Zabi" Rezaee	The University of Memphis	zrezaee@memphis.edu	
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	Veronica Paz	Eberly College of Business and Information Tech.	veronica@veronicaapazcpa.com	
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	James A. Digabriele	Montclair State University	digabrielej@mail.montclair.edu	
	Nazik Roufaiel	State University of New York/ESC-CDL	Nazik.Roufaiel@esc.edu	
2016 Mid-Year Research Conference (Location TBD)			-	Chair
	Jackie Moffitt	<i>Louisiana State University</i>	jsmoff22@lsu.edu	
	David McIntyre	<i>Georgia College & State University</i>	david.mcintyre@gcsu.edu	
	Chris Skousen (prior year chair)	<i>Utah State University</i>	chris.skousen@usu.edu	

Education Committee (2013 FIA Bootcamp)	Debbie Sinclair	University of South Florida-St. Peterburg	dsinclair@mail.usf.edu	
	Kristina Demek	University of Central Florida	Kristina.Demek@ucf.edu	
	Mary Fischer	The University of Texas at Tyler	MFischer@uttyler.edu	
Professional Association Liaison	Helen Pruitt	University of Maryland-University College	helen_pruitt@yahoo.com	
2015 Mid-Year Meeting			-	Chair
Tax Fraud/Underground Economy	Carl Pacini	University of South Florida	cpacini@mail.usf.edu	Chair
	Andrew Griffith		agriffithdba@gmail.com	
	Bridgette Muehlmann	Babson University	bmuehlmann@babson.vcom	
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	Mary Fischer	The University of Texas at Tyler	MFischer@uttyler.edu	
Awards	Diane Matson	University of St. Thomas	dmmatson@stthomas.edu	Chair

	Lori R. Fuller	West Chester University	L.Fuller@wcupa.edu	
	Royce D. Burnett	Southern Illinois University	broyce@cba.siu.edu	
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International	Dominic Peltier-Rivest	Concordia Unviersity	drivest@jmsb.concordia.ca	

