

Florida Atlantic University
ACG 6689 Forensic Accounting, Fraud, and Taxation
Tentative Course Syllabus
Spring 2011

Class lecture location: HEC 908
Higher Education Complex
111 E. Las Olas Blvd., Ft. Lauderdale, FL 33301

Live lectures: Saturdays, 10:30 a.m. – 11:45 a.m. EST

Instructor: George R. Young II, Ph.D., CPA
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Office locations, days, and hours:

<u>Location</u>	<u>Days</u>	<u>Time</u>
LA 428C	Mondays and Wednesdays	5:30 p.m. – 7:00 p.m. EST

Objectives: (1) To introduce you to relevant sections and regulations of the Internal Revenue Code that address tax evasion, (2) To help you become familiar with common types of tax evasion scenarios, (3) To make you aware of the methods used to determine the under payment of tax as a means of supporting an assertion that tax evasion has occurred and (4) To help you become familiar with ethical issues involved in the area of tax evasion.

Text:

Townsend, John A. , Larry A. Campagna, Steve Johnson, and Scott A. Schumacher. 2008. Tax Crimes. Newark, NJ: Lexis-Nexis.

Internal Revenue Service. Financial Investigations: A Forensic Accounting Approach to Detecting and Resolving Crimes. Washington, DC: Government Printing Office.

McGee, Robert W. (Editor). 1998. The Ethics of Tax Evasion. South Orange, NJ: The Dumont Institute for Public Policy Research.

Links to other materials:

Internal Revenue Code <http://www.access.gpo.gov/uscode/title26/title26.html>

<http://www4.law.cornell.edu/uscode/>

Internal Revenue Regulations <http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi?title=200426>

Internal Revenue Manual <http://www.irs.gov/irm>

Internal Revenue Criminal Tax Manual 2001 <http://www.usdoj.gov/tax/readingroom/2001ctm/index.htm>

Grading Policy (tentative):

Mid-term exam	100 points
Final exam	100 points
Short case(s) worth 20 points apiece	20 – 80 points
Discussion postings (2 to 3, worth 10 points apiece)	<u>20 – 30 points</u>
Total points	<u>240 – 310 points</u>

Grading Scale:

A = 100 - 90	C = 76 - 70
A- = 89	C- = 69
B+ = 88 - 87	D+ = 68 - 67
B = 86 - 80	D = 66 - 60
B- = 79	D- = 59
C+ = 78 - 77	F = below 59

Policies:

Distance learning: Distance learning requires a high degree of responsibility, dedication, and self-discipline on your part. You are responsible for

1. Either attending or listening to recorded lectures,
2. Reading assigned material,
3. Completing and submitting any assigned homework on a timely basis, and
4. Participating in threaded discussions.

[Executive program specific information omitted from this syllabus]

E-mail: When you e-mail me, make certain “ACG 6689” is on the subject line; otherwise, your message may be inadvertently deleted (if you e-mail me from e-College, ACG 6689 is automatically included in message). I will do my best to respond to your course-related questions within 24-36 hours. I reserve the right to post answers to questions on the discussion board if I believe that these answers will benefit members of your class.

Course conduct: When responding to comments made by others, be respectful. According to Sec. 6C5-7.007 of Florida Atlantic University (FAU) Rules and Regulations, students who intentionally act to impair the mission of FAU shall be subject to appropriate disciplinary actions by University authorities for disruptive conduct. Postings of messages that do not reasonably serve to further the educational experience of students can be considered disruptive conduct and may result in the deletions of these postings by the board administrator. Repeated postings can result in more serious action, such as dismissal from the program.

Academic Honesty and Classroom Conduct: A fundamental principle of academic, business, and community life is honesty. In the academic environment, it is imperative that you not plagiarize. Plagiarism guidelines that apply to printed materials also apply to information and materials obtained from the Internet.

Appropriate classroom behavior is expected at all times, including respect for your instructor and peers. All cell phones/beeper are to be turned “off” if you are attending lectures held in the Higher Education Complex.

Academic Irregularities: All students are referred to Chapter 6C5-4.001, entitled “Honor Code, Academic Irregularities, and Student’s Grievances”, of the Student Handbook. It is the policy of the School of

Accounting to adhere to the provisions of this section. Faculty of the School of Accounting will secure the maximum penalty in the event a violation of this section is observed.

Academic Conduct: All students are expected to abide by University, College of Business, and School of Accounting policies.

For comprehensive information on Code of Academic Integrity of the University Regulations, Chapter 4, Regulation 4.001, visit:

http://www.fau.edu/regulations/chapter4/4.001_Code_of_Academic_Integrity.pdf

For more information on School of Accounting Policies, visit:

http://business.fau.edu/index.php?src=gendocs&ref=uniformpolicies&category=Accounting&submenu=departments_Accounting

Guest Speakers: During the semester, we may have guest speakers come to class and speak about their experiences. If this occurs, and if you live in the southeast Florida area, please consider attending class. When guest speakers are present, please make certain that you turn cell phones off and accord these speakers respect by listening attentively.

Accommodations for Students with Disabilities: Students may seek accommodations in accordance with the Americans with Disabilities Act of 1990 (ADA). Students with disabilities who need academic accommodations should review the University’s ADA policy and work directly with the Office for Students with Disabilities (OSD). Students who require special accommodation due to a disability are required to properly execute the required procedures and must register with the OSD and follow all OSD procedures.

Changes: I reserve the right to modify this syllabus at any time in the semester. I pledge to try to be as fair as I possibly can when making any changes to this syllabus.

Tentative Class Schedule Spring 2011			
Date	Session	Topic	Reading Assignment*
Jan. 22	1	Intro and tax environment	Read “Assistance of a Forensic Tax Accountant in a Criminal Tax Investigation” by M. Schainbaum posted in doc sharing. JT (Chapter 1)
Jan. 39	2	Types of taxes and filing requirements; Pronouncements of the IRS; judicial interpretations of tax law; Federal Grand Juries; Forfeitures; use of experts in tax cases	FI (Chapters 2 and 11) IRM (Parts 9.7, 25.3, 25.5, 34, 35, and 36)
Feb. 5	3	IRC § 7201: Attempt to evade or defeat tax; Additional on IRC § 7201;	IRC § 7201 IRM (skim Part 25.1) CTM (Section 8) IRC § 7206 IRC § 7212

		IRC § 7206 and 19 USC § 1001: False statements; IRC § 7212: Interference with tax laws and forcible rescue of property; 18 USC § 286: Conspiracy	18 USC § 1001 18 USC § 286 18 USC § 371 CTM (Sections 12, 13, 17, 21, and 24) JT (Chapter 2A; Chapter 2B: 57-72: 97-110; 112-116)
Feb. 12	4	IRC § 7202: Willful failure to collect or remit tax; IRC § 7203: Willful failure to file return, supply information, or pay tax; IRC § 7207: Fraudulent returns, statements, or other documents	IRC § 7203 IRC § 7202 IRC § 7207 CTM (Sections 9, 10, 11, and 16) JT (Chapter 2B: 75-85)
Feb. 19	5	IRC § 6531: Statute of limitations in criminal tax prosecutions; IRC § 6501; computation of civil and criminal penalties	IRC § 6531; JT (362-376) IRM (skim Part 20 and 25.6) CTM (Section 7) IRC § 6663 IRC § 6651 IRC § 6701 IRC § 6501 JT(Chapter 5: 176-181; Chapter 13: 377-382; 387-389)
Feb. 26	6	Mail and wire fraud; currency transaction reporting; money laundering	18 USC § 1341 18 USC § 1343 Bank Secrecy Act, CTRs, FBARs 18 USC § 1956 18 USC § 1957 FI (Chapters 6, pp. 137-144, and 10) IRM (Part 4.26) CTM (Section 25) JT (Chapter 2B: 85-86; Chapter 3: 117-125)
Mar. 5	7	Continuation of Mail and wire fraud; currency transaction reporting; money laundering	Bank Secrecy Act, CTRs, FBARs 18 USC § 1956 18 USC § 1957 FI (Chapters 6, pp. 137-144, and 10) IRM (Part 4.26) CTM (Section 25) JT (Chapter 2B: 85-86; Chapter 3: 117-125) Midterm exam due by 11:59 p.m.
Mar.		Spring break	No class

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Mar. 19	8	Civil tax audits; liens and levies; "Eggshell" civil tax audits; Methods of proof; appropriate use of these methods	IRM (Parts 4.2, 4.10, 4.11, 4.16, 4.18, 4.22, 4.28, 5.8-5.12) FI (Chapter 7) IRM (Part 9.5.9) CTM (Sections 30, 31, 32, and 33) JT (Chapter 4: 127-158; Chapter 6: 215-218; Chapter 7: 247-248)
Mar. 26	9	Guest lecturers: IRS Special Agent	FI (Review chapters 7, 10, and 11; read chapters 1 and 9) IRM (Parts 9.1 and 9.2) JT (Chapter 14: 399-407)
Apr. 2	10	Tax shelters, judicial doctrines, penalties	Find information on the Internet on tax shelters and visit http://www.pbs.org/wgbh/pages/frontline/shows/tax/ and http://www.irs.gov/businesses/corporations/article/0,,id=120633,00.html
Apr. 9	12	Tax protestors and arguments	Find information on the Internet on tax protesters and visit www.irs.gov/individuals/content/0,,id=97749,00.html and http://evans-legal.com/dan/tpfaq.html
Apr. 16	13	Ethics of tax evasion	M (pp. 5-35)
Apr. 23	14	Alternatives to present income tax system; off the books income: A threat to all tax systems	Search news and Internet for tax plans proposed by Congresspersons; find information from books, articles, Internet on the types of plans, including flat tax and national sales tax. Final exam due by 11:59 p.m.

* All references to the IRC are references to Title 26 of the United States Code. The other abbreviations used here refer to:

JT: Townsend et al. 2008. Tax Crimes
 FI: Financial Investigations (Internal Revenue Service)
 M: McGee, Robert W. The Ethics of Tax Evasion
 IRC: *Internal Revenue Code*
 IRM: *Internal Revenue Manual*
 CTM: *Criminal Tax Manual*