



**Forensic & Investigative Accounting Section  
American Accounting Association**

# **The Forensic Accounting Educator**

**Summer 2013**  
**Editor: D. Larry Crumbley**  
**Louisiana State University**

**Volume 5, No. 1**

## **A MESSAGE FROM THE PRESIDENT**

“Summertime, and the livin’ is easy ...” -- easy that is for everyone except those in the FIA Section who continue to work hard to put together great programs and further important initiatives on behalf of our members. A quick update on FIA Section activities:

- I want to thank everyone who made the FIA Section Research Conference in New Orleans such a success, especially **Tim Pearson** (Georgia Southern) and **Patricia Johnson** (Canisius). I want to also acknowledge the assistance of the folks from the Public Interest Section who made our joint meeting run so smoothly. When all was said and done, we ended up breaking our record for most attendees (over 100) at one of our MidYear meetings. The **Center for Audit Quality** organized an excellent workshop, introducing a new fraud teaching case and providing guidance on case teaching methods. I want to also gratefully acknowledge **KPMG** and **Audimation (IDEA)** for their continued support of our Section’s programs and initiatives. **Dave Sinason** and his committee are already planning next year’s meeting in March in San Antonio.
- As I am sure that you are already be aware, Section elections recently took place. I am happy to announce that **Les Heitger** (Missouri State) was elected Vice President-Academic which means he will become the Section President when **Cindy Durtschi**’s (DePaul) term expires in 2015. Those elected to the Nominating Committee include **Natalie Churyk** (Northern Illinois), **Brigitte Muehlmann** (Suffolk), **Jim DiGabriele** (Montclair State), and **Ronny Daigle** (Sam



## **INSIDE THIS ISSUE**

<b>A Message from the President.....</b>	<b>1</b>
<b>Manuscript and Fraud Detection Stories.....</b>	<b>3</b>
<b>Call for Short Papers.....</b>	<b>3</b>
<b>Annual Meeting Photos.....</b>	<b>4</b>
<b>FIA Executive Meeting Minutes .....</b>	<b>44</b>
<b>Cash Flow Statement.....</b>	<b>45</b>
<b>Mid-Year Sponsors.....</b>	<b>46</b>
<b>Membership Application.....</b>	<b>47</b>

Houston State). I will represent the Section on the AAA Council when **Larry Crumbley's** (LSU) term expires in August (and Cindy takes my place as President). As I have said on many occasions, the strength of this Section is its members; I want to thank all those who bravely stepped up to the leadership challenge by putting their names up for consideration.

- The Publication Committee (chaired by **Chih-Chen Lee** (Northern Illinois)) is finalizing our Section journal application. The application is excellent and reflects the Committee's hard work and conscientiousness. The FIA Section Executive Committee has reviewed the application and it will be submitted to the AAA Publications Committee in time for its August meeting. (I will post a copy of the application on the Section's AAA Commons when it is submitted.)
- **Cheryl Metrejean** (Georgia Southern) and **Sara (Melendy) Kern** (Gonzaga) are putting together a great program for the AAA Annual Meeting in Anaheim in August. The Section is sponsoring a number of CPE opportunities: **Tom Weirich** (Central Michigan) is coordinating an Adrian Project workshop with the IRS on Saturday, and **Debbie Sinclair** (USF-St. Petersburg) is putting together two FIA Boot Camps (Basic and Advanced) on Sunday.. The Section's Networking Opportunities for Research and Teaching (SNORT) is scheduled for Monday afternoon at 4:00 at **Tangerine Grill and Patio** (located one block from the Conference hotel).

I look forward to seeing everyone in Anaheim next month.

Best wishes for a relaxing and productive summer,



Timothy J. Louwers  
2011-2013 FIA Section President

P.S. On a very sad note, I was very sorry to hear of Les Heitger's wife's unexpected passing earlier this spring. Please keep Les and his family in your thoughts and prayers.

**Raising the Bar. Setting the Standard.**

## **Manuscripts and Fraud Detection Stories**

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

*The Forensic Accounting Educator*  
D. Larry Crumblay, senior editor  
Louisiana State University  
2833 Business Education Complex  
Baton Rouge, LA 70803  
225.578.6231  
Email: [dcrumbl@lsu.edu](mailto: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](mailto: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](mailto:dcrumbl@lsu.edu).

## 2013 AAA Mid-Year Meeting Photos























Preparation for Case Teaching  
*Process: Hollate Teaching Plan*

1. Intro (5 mins)
2. What's the problem? (15 mins)
3. ST Action Plan (15 mins)
4. How did we get here? (15 mins)
5. How does system work? (15 mins)
6. Building better controls (20 mins)
7. Wrap & debrief (5 mins)

A man in a suit is pointing at the list with his right hand. To his right is a flipchart with handwritten notes. The flipchart has two columns. The left column has the following text: "INDIVIDUAL", "LAW", "HIGH PRIORITY", "INVESTIGATION", "INCE", "INSTITUTION", "CONTROL", "FOR A", "EVEN", "BOARD", "LAW". The right column has the following text: "INDIVIDUAL", "LAW", "HIGH PRIORITY", "INVESTIGATION", "INCE", "INSTITUTION", "CONTROL", "FOR A", "EVEN", "BOARD", "LAW".





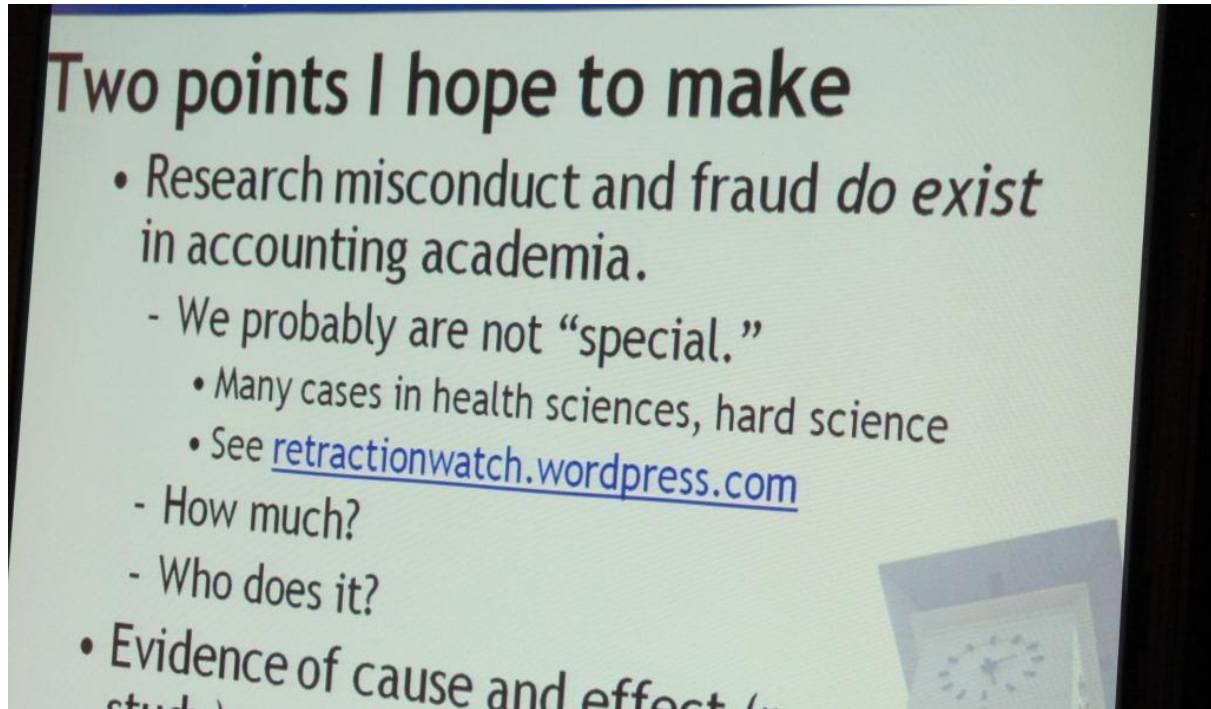
















## I.R.S. Covert Investigations

- Surveillance of suspected illegal tax scheme promoters.
- Undercover agents used to contact and gather information from suspected tax scheme promoters.
- Search warrants obtained as a result of undercover operations.
- Tax scheme promoters and clients prosecuted.





# Why Computer Forensics is a Necessity for Accountants

- IT is overwhelmed – it can take up to 6+ months to remove account privileges from a terminated employee.
- IT security problem focus shifting to in-house employees and social media.
- The lack of IT knowledge and strong policies





























































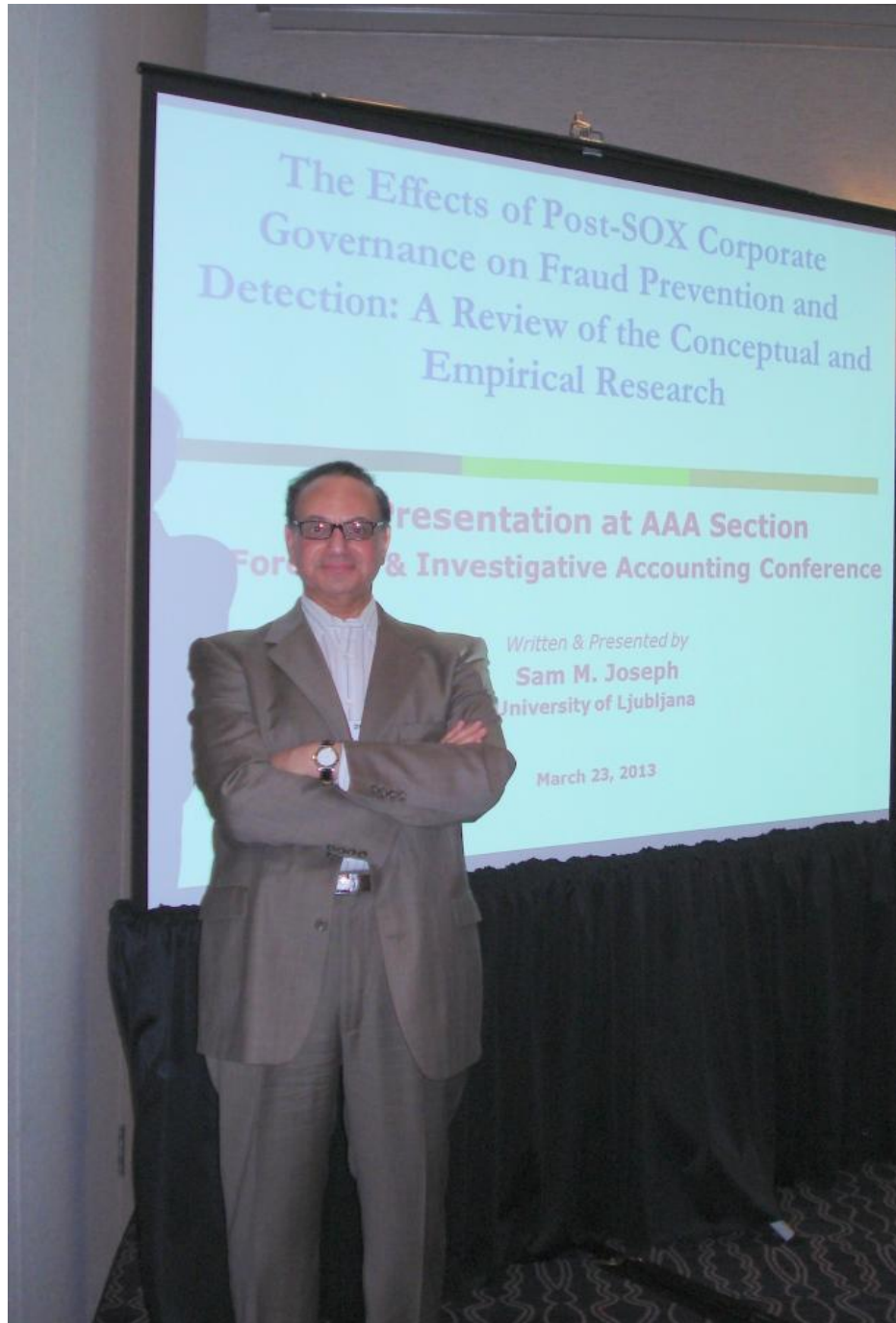




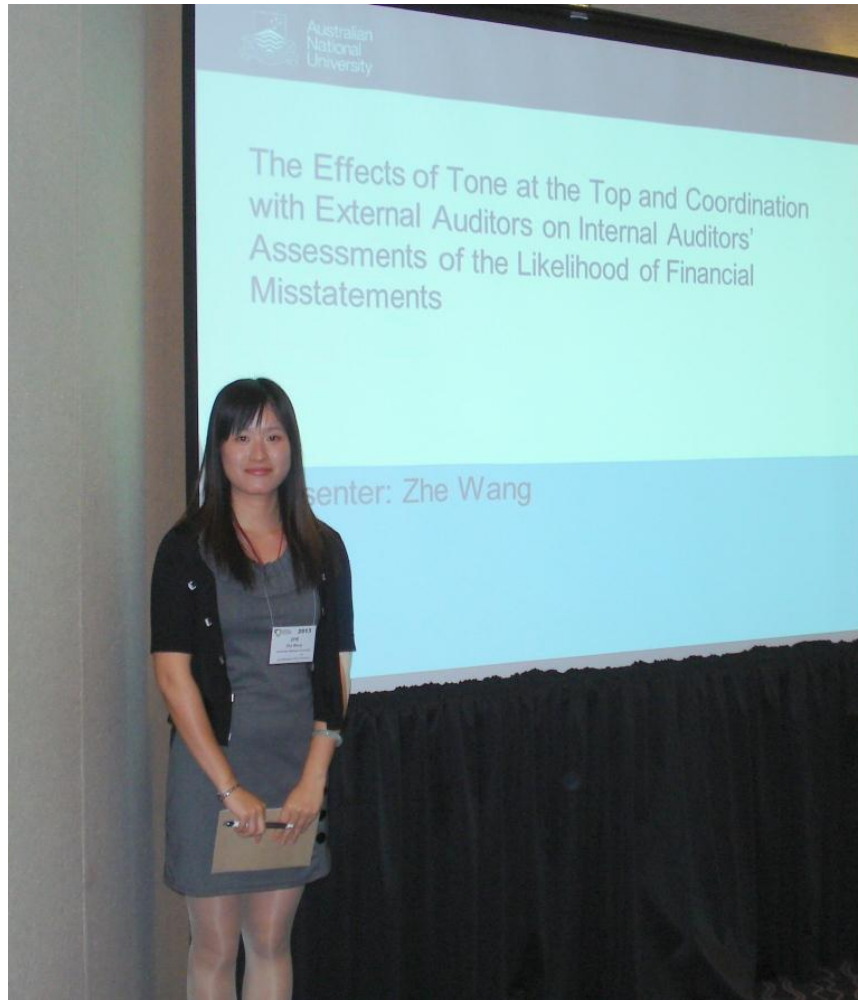














# Minutes for the FIA Officers' Meeting

**American Accounting Association**

**Forensic and Investigative Accounting Section**

**Midyear Executive Committee Meeting**

**March 22, 2013 New Orleans**

## **Executive Meeting Minutes**

- Tim Louwers, called the meeting to order by asking what worked, what didn't and lessons for 2014 meeting. Concerns were raised about midyear attendance, future joint meeting with other AAA Sections and the process of obtaining, reviewing and accepting papers for presentation.
- Suggestions were made about future meeting including changing the timing of the next year's meeting to June in order to encourage more submission and attendees.
- The next year's midyear meeting is scheduled for March 28 and 29, 2014 in San Antonio, TX at Hilton River walk.
- Possible changes to the name the section and its journal were discussed and will be further considered after receiving and reviewing applications this summer
- Planning is underway for the upcoming 2013 Annual FIA meeting in Anaheim, California, August 3-7, 2013 including a full day boot Camp and breakfast.
- Tim Louwers called for volunteers and nominations for the following section officers

- ❖ Vice-President - Academic (2-Year Term)
- ❖ FIA Council Representative (3-Year Term)
- ❖ Four members of the Nomination Committee (One-Year Term)

- Tim Louwers adjourned the meeting.

Respectfully submitted by Zabi Rezaee, FIA Section Secretary.



# CASH FLOW STATEMENT

	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	TOTAL	BUDGET
														Prior Year
Beginning Cash Balance	41,367.92	43,572.48	48,301.81	44,655.50	44,833.95	45,438.63	45,751.20	46,051.74	46,537.15	48,019.72	49,910.80	49,910.80		FY 2012 Actual
<b>INFLOW</b>														
<b>DUES</b>	Dues payments are applied to deferred accounts and 1/12th is realized each month of the member year. Multiple months are realized when payments are received late (after September) to catch up.													
Deferred Dues-Assoc.	30.50	(17.50)	(17.50)	81.50	13.50	(17.00)	(4.00)	(22.50)	(15.50)	(30.00)	-	-	1.50	12.00
Deferred Dues-Full	1,185.00	(60.00)	(135.00)	461.25	118.75	(208.75)	(291.25)	(327.50)	(337.50)	(497.50)	-	-	(92.50)	(11.25)
Assoc. Member Dues Revenue	47.50	47.50	47.50	26.50	34.50	35.00	46.00	40.50	57.50	64.00	-	-	435.50	546.00
Full Member Dues Revenue	600.00	585.00	600.00	393.75	481.25	523.75	561.25	612.50	697.50	617.50	-	-	5,672.50	7,046.25
Total Dues Inflow	1,863.00	555.00	495.00	963.00	648.00	333.00	312.00	303.00	402.00	144.00	-	-	6,018.00	7,593.00
<b>ANNUAL MEETING</b>														
AM CPE Registration Fees	-	-	1,002.00	-	-	-	-	-	-	-	-	-	1,002.00	-
AM Contrib- Temp Restricted	-	4,250.00	-	-	-	-	-	-	-	-	-	-	4,250.00	5,000.00
AM Contrib- Temp Restricted Released	-	-	4,250.00	-	-	-	-	-	-	-	-	-	4,250.00	6,750.00
Temp Restricted Net Assets	-	-	(4,250.00)	-	-	-	-	-	-	-	-	-	(4,250.00)	(6,750.00)
AM Bk/Lunch Ticket Fees	-	-	2,020.00	-	-	-	-	-	-	-	-	-	2,020.00	1,110.00
Def Rev AM Lunch Tickets	980.00	160.00	(1,880.00)	-	-	-	-	-	-	-	-	-	(740.00)	(180.00)
Total Dues Inflow	980.00	4,410.00	1,142.00	-	-	-	-	-	-	-	-	-	6,532.00	5,930.00
<b>Mid-year Meeting</b>														
Registration Fees	-	(175.00)	-	-	-	-	-	-	-	-	-	-	(175.00)	13,060.00
Contributions	-	-	-	-	-	-	-	-	500.00	2,000.00	-	-	2,500.00	5,500.00
CPE Registration	-	(30.00)	-	-	-	-	-	200.00	640.00	120.00	-	-	930.00	1,530.00
Total Mid-year Meeting	-	(205.00)	-	-	-	-	-	200.00	1,140.00	2,120.00	-	-	3,255.00	20,090.00
<b>Misc</b>														
Contributions	-	-	500.00	-	-	-	-	-	-	-	-	-	500.00	5,500.00
Total Misc	-	-	500.00	-	-	-	-	-	-	-	-	-	500.00	5,500.00
Total Inflow	2,843.00	4,760.00	2,137.00	963.00	648.00	333.00	312.00	503.00	1,542.00	2,264.00	-	-	16,305.00	33,613.00
<b>OUTFLOW</b>														
<b>ANNUAL MEETING</b>														
Hotel & Other Expenses	-	-	4,900.77	-	-	-	-	-	-	-	-	-	4,900.77	5,873.12
AM Credit Card Fees	-	-	69.51	-	-	-	-	-	-	-	-	-	69.51	43.70
Supplies	-	-	18.25	-	-	-	-	-	-	-	-	-	18.25	-
Awards	573.00	-	750.00	750.00	-	-	-	-	-	-	-	-	2,073.00	1,655.50
Total Meeting	573.00	-	5,738.53	750.00	-	-	-	-	-	-	-	-	7,061.53	7,612.32
<b>MIDYEAR MEETING</b>														
Hotel-Rooms/Food/Bev	-	-	-	-	-	-	-	-	-	-	-	-	-	9,648.46
Hotel-Audio Visuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Copying/Printing	-	-	-	-	-	-	-	-	-	318.19	-	-	318.19	688.83
Speakers	-	-	-	-	-	-	-	-	-	-	-	-	-	217.44
Mtg. Coordinator expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	1,154.35
Postage	-	-	-	-	-	-	-	-	-	34.26	-	-	34.26	98.97
Credit Card Fees	-	-	-	-	-	-	-	7.44	47.85	4.34	-	-	59.63	495.99
Telephone	-	-	-	-	-	7.86	-	-	-	-	-	-	7.86	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Meeting	-	-	-	-	-	7.86	-	7.44	47.85	366.79	-	-	419.94	12,304.04
<b>GENERAL/ADMIN.</b>														
Postage	-	-	29.25	-	21.79	-	-	-	-	-	-	-	51.04	24.76
Misc.	-	-	-	-	-	-	-	-	-	11.24	-	-	11.24	49.77
Credit Card Fees for Dues	65.44	30.67	15.53	34.55	21.53	12.57	11.46	10.15	11.58	4.89	-	-	218.37	357.65
Total General	65.44	30.67	44.78	34.55	43.32	12.57	11.46	10.15	11.58	16.13	-	-	280.65	482.18
<b>COMMITTEES/OFFICERS</b>														
Hotel-Rooms/Food/Bev	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	1,262.36
Total Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	1,262.36
Total Outflow	638.44	30.67	5,783.31	784.55	43.32	20.43	11.46	17.59	59.43	372.92	-	-	7,762.12	21,610.90
Deposits														
Ending Cash Balance	43,572.48	48,301.81	44,655.50	44,833.95	45,438.63	45,751.20	46,051.74	46,537.15	48,019.72	49,910.80	49,910.80	49,910.80		

# A Special Thank You to the Forensic and Investigative Accounting Section Mid-Year Sponsors...



# Forensic and Investigative Accounting Section

---

***Discover why so many of your colleagues find the FIA 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 FIA 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 FIA 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 FIA (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 and Investigative Accounting Section**

**ID#** \_\_\_\_\_

**Name** \_\_\_\_\_

**Address** \_\_\_\_\_

**Affiliation** \_\_\_\_\_

**Telephone: Office** \_\_\_\_\_ **Home** \_\_\_\_\_ **Fax** \_\_\_\_\_

**Dues Enclosed: \$15**

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

**Billing Address** \_\_\_\_\_

**Account Number** \_\_\_\_\_ **Expiration date** \_\_\_\_\_

**Signature** \_\_\_\_\_