

SEMINAR IN FORENSIC ACCOUNTING

4983

Tentative Schedule

Spring 2011

Instructor: Dr. G. Stevenson Smith, PhD, CPA, CMA

Office Hours: M, W, F: 12-1; 3-4

Tuesday: 12-4

other times by appointment

E-mail: sgsmith@se.edu

Office: 206 Russell Building

Office Phone: 580-745-2490

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Class Meetings: 10-12; M, W, F; Room R218

Books: A. Required Texts:

(1) **Forensic and Investigative Accounting**, 4th Edition by Crumbley, Heitger, and Smith (CCH) 2009. ISBN 9780808021438.

B. Other Useful Resources:

(1) Textbook website: <http://www.cchstudymate.com>

(2) The Blackboard website for the class.

(3) Various websites as listed on the syllabus and mentioned in class

Course Objectives

The primary objective of this course is to help you learn about how fraudulent financial practices are implemented and identified in business and government. Examples of such financial frauds continually appear in the business press. As we proceed through the course, we will analyze how such crimes are committed. In order to study such crimes, we need to have a basic understanding of computer forensics practices related to these fraudulent acts. Our study will be from the perspective of the investigator and perpetrator. Neither a cursory review nor an intense cram session is enough to successfully succeed in this course. Since the weekly lectures are six hours in length, you will spend thirty hours a week, at least, outside the classroom to complete the assigned readings, homework, and achieve the following course objectives.

1. Acquire an understanding of the fraudulent accounting methods.
2. Distinguish between unethical and illegal practices.
3. Apply fraud/forensic analysis to "real" case work.
4. Understand how to preserve electronic evidence.
5. Understand how practicing accountants need to be able to interact with computer forensic specialists.

Topics include money laundering, valuation of economic assets, valuation of assets, cybercrime, and financial statement misrepresentation. The textbook and other online sources will be used to cover the topics in the course. Although it is not required, you will be asked to bring your laptop to class with you on days specified in the syllabus

Course Schedule and Method of Instruction

During the semester, subject matter in the course will be discussed using an interactive lecture method whereby students are asked to solve selected problems in the classroom in accordance

with the following Tentative Schedule. Part of those exercises will involve the use of a laptop in the classroom. Each laptop needs to be connected to the University's wireless system. Work on the computers will be completed in a group context.

All material (text and discussions) needs to be reviewed in depth prior to all quiz/tests. The course will follow the Tentative Schedule, but the instructor reserves the right to make changes when necessary.

Tentative Schedule:

Date	Chapter/Reading	Assignment
Jan 12	Introduction: Chapter 1 <i>Introduction to Forensics</i> and Chapter 2 <i>Forensic Accounting Education</i>	Chapter 1: 4, 28, 32, 33, 36, 38, 40, 47, 50 Chapter 2: 7, 11, 22, 23 Read: <i>The Skills of the Forensic Accountant</i> on the Blackboard classroom site.
14*	Financial Reporting: Chapter 3 <i>Fraudulent Financial Reporting</i> and Chapter 4 <i>Detecting Fraud in Financial Reporting</i>	Chapter 3: 3,4,7,9,12,17,20,28,34,35,38,39,41, 46,47,50,54,70,71(a),72(b) Chapter 4: 1,3,4,5,9,11,16,17,24,25,28,29,33, 36,42,43,44,46,48 Short Exam (50 pts): Chapters 1, 2, 3, 4
19	Chapter 5: <i>Employee Fraud: The Misappropriation of Assets</i>	Chapter 5: 1,4,5,8,10,12 See: http://www.youtube.com/watch?v=auSfaavHDXQ Bring Laptop: Google Hacking Exercise http://www.youtube.com/watch?v=EjKPNRzclFU&NR=1&feature=fvwp
21	Chapter 5: <i>Employee Fraud: The Misappropriation of Assets</i>	Chapter 5: 15,19,22,24,25,35,43,60 Bring Laptop: Crime Scene Investigation http://www.horton.com/portfolio/crimesceneHTML/frameset.htm
24	Chapter 7: <i>Money Laundering</i>	Chapter 7: 2,4,5,7,8,9,10 Bring Laptop: IP addresses: http://www.wikihow.com/Trace-an-IP-Address Find your IP: http://whatismyipaddress.com/?gclid=CLvCy_W_iK_YCFcNi2godRmWhWA
26*	Chapter 7: <i>Money Laundering</i>	Chapter 7: 11,12,13, 14,15,16,17,18,19,20 Short Exam (50 pts.) Chapters 5 and 7
28	Chapter 9: <i>Proper Evidence Management</i>	Chapter 9:1, 2, 3, 6, 8, 9, 11, 12, 13, 14, 15, 16, 17, 23, 24, 26, 29, 33, 41, 48, 54, 57

Date	Chapter/Reading	Assignment
31	Chapter 10: Commercial Damages	Chapter 10:1, 2, 3, 4, 5, 6, 7, 9, 11, 21, 26 View: http://abcnews.go.com/video/playerIndex?id=7012518
Feb 2*	Chapter 10 <i>Commercial Damages</i> and Chapter 12 <i>Economic Damages</i>	Chapter 10: 15, 16, 17, 20, 22 Chapter 12: 1, 2, 4, 5, 6, 7, 8, 10, 13, 23, 25, 26 Short Exam (50 pts) Chapters 9 and 10
4	Chapter 16 <i>Cybercrime Loss Valuations</i>	Chapter 16: 1, 2, 3, 5, 6, 13, 14, Bring Laptop Nmap: Scanner http://www.youtube.com/watch?v=8FhDVhVUOS4 http://www.youtube.com/watch?v=4WuglJA9H6o http://www.youtube.com/watch?v=Y96zgdmlJyU&feature=related
7	Chapter 16 <i>Cybercrime Loss Valuations</i>	Chapter 16: 8, 9, 10, 11, 12, 15, 16 Bring Laptop
9	Chapter 17 <i>Business Valuation</i>	Chapter 17: 1, 2, 5, 6, 7, 9, 10,12, 13, 14, Bring Laptop
11*	Chapter 17 <i>Business Valuation</i>	Chapter 17: 15, 16, 17 Short Exam (50 pts): Chapters 12, 16 and 17
14	Chapter 13: <i>Investigation of E-Data</i>	Chapter 13: 2, 3, 4, 5, 6, 7, 10, 13, 14 E-mail: http://www.youtube.com/watch?v=L7kTbCX8BYs http://www.youtube.com/watch?v=pFIDIKXf65Y&feature=related http://www.youtube.com/watch?v=dUg-4F1NjQo&feature=related
16	Chapter 13: <i>Investigation of E-Data</i>	Chapter 13: 16, 17, 20, 21, 23, 25, 28, 30, Bring Laptop
18	Chapter 14 <i>Digital Forensic Analysis</i>	Chapter 14: 2, 3, 4, 5, 7, 8, 9, Bring Laptop
21*	Chapter 14 <i>Digital Forensic Analysis</i>	Chapter 14: 10, 11, 12, 13, 14, 18

Date	Chapter/Reading	Assignment
23	Chapter 8 <i>Litigation Services</i>	Chapter 8: 1, 2, 3, 11, 12, 13, 14, 15, 23, 25, 28, 35
25*	Catch Up and Long Exam	Long Exam (100 pts) Comprehensive
28	Review	

Class Policy

There will be no makeup on any missed exams, homework submissions, lab work, bonus points, or quizzes. You must be in class to complete your classroom work. Attendance is expected. Any points given on days missed cannot be made up. Students are expected to try to complete all assigned problems. You should expect that similar (not the same) problems would be used on the short exams and quizzes/tests. PDA's and cell phones are not to be used during the exam nor are calculators to be shared during the exam.

Several "short" exams will be given. The dates for these short exams are shown in the syllabus. These exams may consist of a written portion and a lab portion depending on the nature of the class discussion. Lab portions will be completed as a group exercise. The time allocated for these quizzes will be approximately 40-50 minutes depending on the number of questions and the nature of the questions. No extra time beyond the allocated class time will be provided to complete these short exams. Incomplete questions will be marked as incorrect.

No grades will be given over the phone or through e-mail. To receive your grade, please check the appropriate University website.

Cheating in any form is not tolerated. At a minimum, you will receive a grade of zero on the assignment but expulsion from the course is also a possibility. Please see the Academic Honesty Policy for the School of Business, attached as an Addendum to this syllabus, for details.

Book and Calculator

Students should bring their book and calculator to class every day, as you will need both to solve classroom problems, quizzes, and earn extra points.

Quizzes, and Participation

See note above about short exams. The materials used on the short and long tests are taken mainly from the textbook, but questions can include other material that has been discussed in class, i.e., online materials. It is your responsibility to be familiar with all the testable material prior to the short exams. The long test is a comprehensive test and the time allocated will be at least twice the time allocated for the short examinations, but the time for the exam is expected to vary with the nature of the questions on the exam. The following point value will be placed on course assignments.

4 "Short" Exams (250 pts)	200
1 Long Exam (100 pts)	100
5 Homework assignments (10 ea.)	50*
Total Points	350**

*Selected homework assignments (5) will be turned in at the end of class for a possible total of ten points on each assignment. If the assignment is not correctly worked or prepared in an unprofessional manner, points will be deducted. There will not be any advanced notice on the problem which will be collected.

** At the instructor's discretion, additional points may be given for bonus activities in the classroom (quizzes or homework) or on the examinations.

No calculators or other electronic devices can be shared during the testing periods. Students will be expected to be seated in the classroom at the maximum distance from each other during the exams/quizzes unless they are doing group work. Graded exams/quizzes will be returned for your review, but all tests/quizzes must be turned in to the instructor after the classroom review. All exams/quizzes will be destroyed 30 days after the end of the course.

E-mail Address Procedure

You must have a valid SE e-mail address to participate in the course. Be sure to use "ACCT 3113" in the subject line of all e-mail, and your name in the body of every e-mail you send. You are identified by your name, not your e-mail address, on the Registrar's printout and in the grade book.

Grading Scale

The following percentage scale will be used based on total points of 350. Points, not percentages, are used to determine your final grade.

90-100%	A
80-89%	B
70-79%	C
60-69%	D
0-59%	F

Classroom Etiquette

There is no **eating or drinking allowed** in the classroom. This is the stated policy of our Dean. Please do not hold conversations with classmates whenever the professor or another student is speaking. Please keep your feet on the floor and off the desk in front of you while in the classroom. Also refrain from participating in other distractive behavior such as the passing of notes, texting, or answering cell phone calls. Turn your cell phone off so it does not ring in the

classroom. Please do not wear head phones during the lectures. Your undivided attention in class is important along with an atmosphere of mutual respect for all.

Weather Note

In the event of bad weather, please call (580) 745-7272 to determine if classes are cancelled. Generally, a decision will be made by university officials by 6:30 am for morning classes.

Students with Disabilities or Special Needs

Any student needing special accommodations due to a disability should contact the Coordinator of Student Disability Services, Student Union, Suite 204 or call (580) 745-2254 (TDD# 745-2704). It is the responsibility of each student to make an official request for accommodations to the Coordinator.

Drop Dates

If you decide not to complete the course, you must drop the course.

If you decide to drop this course it should be done by the last day to drop with an automatic "W".

To add/enroll or drop with refund: 1/13/11

Last day to drop with Automatic "W": 1/31/11

Last day to drop: 2/8/11

Following these deadlines for automatic "W's", the student will receive a "W" or an "F" depending upon whether the student is passing or failing the course at the time of withdrawal. A "W" is GPA neutral.

School of Business – Code of Academic Responsibility for Students, Staff and Faculty

I. Academic Responsibilities.

It is the responsibility of faculty, staff, and students to create an academic community that is conducive to learning and the fostering of the free exchange of thought and ideas. This community is intended to be free from all forms of prejudice(s) that negatively influence learning, such as those based on age, ethnicity, gender, race, or religion, and national origin. All faculty, staff, and students should treat one another with courtesy and respect.

II. Faculty and Staff Responsibility.

Every instructor or staff member (whichever is applicable) is responsible to provide the student a written syllabus within the first three (3) days of class which contains the information in sentences numbered 1 through 6:

1. Inform the students of the objectives, content, assignments, policies on return of student work, and examination procedure in each course;
2. Inform the students of the methods by which the instructor determines the final grade in the course;
3. Inform the students of all requirements that the student will be required to comply with, such as dress code, cell phone and pager use, etc. that the instructor believes to be proper, as well as the penalties for violation.
4. Inform the students of the requirements of major papers and/or major examinations in the course;
5. Inform the students of how class assignments will be made or posted.
6. Inform the students of the policy of the faculty for student review of papers and examinations.

Every instructor or staff member shall endeavor to meet the following:

7. Ensure that every student has equal access to all course materials, assignments, and examination.
8. Provide fair and impartial evaluation of all student performances, i.e., evaluating all students according to common criteria;
9. Make oneself available for conferences with students during announced or posted office hours;
10. Treat students with courtesy and respect at all times. Courtesy and respect do not prohibit strong criticism directed at the student's academic errors or scholarly works;
11. Attempt to provide a learning environment that is free from all forms of prejudices that negatively influence the student(s) learning, such as those based on age, ethnicity, gender, disability, race, religion, or national origin.
12. Adhere to the Class Attendance Policy as adopted by the university.
13. Enforce and seek compliance with all University rules, regulations and policies.
14. Enforce and seek compliance with all the laws, rules and regulations of the State of Oklahoma, and the Board of Regents of Oklahoma Colleges.
15. Enforce and seek compliance with all the laws, rules and regulations of the United States of America as they may relate to the activities on this campus.
16. Assume the positive obligation to confront students of suspected academic dishonesty.

III. Student Responsibilities.

Every student is responsible to:

1. Attend class in accordance with the Class Attendance Policy of the University;
2. Be attentive during class, and participate constructively in class discussions;
3. Perform the work assigned in each course to the best of the students ability, and submitting the same on time or in a timely manner;

4. Comply with all of the requirements that the instructor may demand for the course;
5. Show respect for instructors and fellow students at all times;
6. Comply with any and all University rules, regulations and policies; the laws, rules and regulations of the State of Oklahoma; applicable rules and regulations of the State of Oklahoma Board of Regents; and the laws, rules and regulations of the United States of America as they may relate to the activities on this campus;
7. Obtain any information (written or otherwise) provided by the instructor during any regularly scheduled class period not attended by the student, and promptly make up any work or assignment that the instructor may allow.
8. Abide by the University's "Student Code of Conduct";
9. Inform the Office of Student Support Services of any disability that may interfere with the students' ability to learn or perform the required tasks of the course;
10. Comply with provisions and requirements of the "Academic Misconduct" Policy of the College of Business Administration.

IV. Academic Misconduct:

The rights and responsibilities that accompany academic freedom are at the heart of the intellectual integrity of the University. Students are therefore expected to behave honestly in their learning. Cheating and other forms of academic misconduct undermine the value of an education for everyone, and especially for the person who cheats. Violations of the Academic Misconduct Policy can result in penalties ranging from grade reductions to suspension, dismissal, or expulsion from the University.

a. Student Responsibility

Misunderstanding of the appropriate academic conduct will not be accepted as an excuse for academic misconduct. If a student is in doubt about appropriate academic conduct in a particular situation, he or she should consult with the instructor in the course, the department chair, or the dean so as to avoid the serious charge of Academic misconduct.

b. Definition and Criteria:

Academic misconduct is defined as any activity that tends to compromise the academic integrity of the institution or subvert the educational process. Examples of academic misconduct include, but are not limited to:

Conduct with respect to and during a quiz, examination, or similar evaluation:

1. Possessing, referring to, or employing open textbooks or notes or other devices not authorized by the instructor.
2. Looking at or using information from another person's paper.
3. Communicating with, providing assistance to, or receiving assistance from another person in a manner not authorized by the instructor.
4. Possessing, buying, selling, obtaining, or using a copy of any unauthorized materials intended to be used in or actually used in the preparation of a quiz or examination or similar evaluation.
5. Taking a quiz or examination or similar evaluation in the place of another person.
6. Utilizing another person to take a quiz, examination, or similar evaluation in place of oneself.
7. Violating procedures prescribed to protect the integrity of a quiz, examination, or similar evaluation.
8. Changing material on a graded examination and then requesting a re-grading of the examination.

Written and other assignments.

1. Submitting an assignment purporting to be the student's original work, which has been wholly or partly created by another person.

2. Submitting or presenting as one's own the work, ideas, representations, or words of another person without customary and proper acknowledgment of sources.
3. Knowingly permitting one's work to be submitted by another person as if it were the submitter's original work.
4. Submitting the identical or substantially the same assignment to fulfill the requirements for two or more courses without the approval of the instructors involved, or submitting the identical or substantially the same assignment from a previously completed course to fulfill requirements for another course without the approval of the instructor of the later course.
5. Violating procedures prescribed to protect the integrity of the assignment.
6. Cooperation with another person in academic misconduct, either directly or as an intermediary agent or broker.
7. Theft, attempted theft, malicious defacement, mutilation of library materials, or other academic resources.

V. Disciplinary Procedure for Academic Misconduct:

Academic misconduct matters shall be considered first by the faculty member affected. The faculty member may recommend penalties; including but not limited to withdrawal from the course, reduction or changing of a grade in the course, test, assignment, or in other academic work, performing additional academic work not required of other students in the course. Acceptance of the faculty member's recommended penalties by the student shall make the penalties final and constitute a waiver of further administrative procedures or appeals.

If the student does not accept the decision of the faculty member, the student may have the case reviewed by the academic department chair.

If the student does not accept the decision of the academic department chair, the student may have the matter referred to the Dean of the School.

If this decision of the Dean is not accepted, the student may have the matter referred to the Academic Appeals Committee. The Academic Appeals Committee serves as an appeals board for all requests from faculty or students who seek to have grades or records modified. The decision of the Academic Appeals Committee will be final as to factual determinations of the appeal.

VI. Appeal Rights of Students:

Every student has the right when appealing a faculty decision involving academic dishonesty:

1. To be informed of the nature(facts) of the allegations, charges, or reports brought against the student as well as a reference to the particular sections of the statutes, regulations, rules or policy involved;
2. To receive reasonable notice of any hearing; including the time, place, nature and purpose of the hearing, and the legal authority for the hearing;
3. To have findings of fact based exclusively on the information and evidence presented at the hearing;
4. To respond and defend the allegation(s) by; including but not limited to, presenting relevant evidence, testimony, and to call witnesses in his behalf, and to exam all witnesses to the proceedings that may appear against the student.
5. To be provided, in advance, a copy of all reports, data, or other information that will be submitted or considered by the Chair, the Dean, or the Committee in connection to the matter before it;

6. To have all proceedings be electronically recorded. Such recordings shall be maintained for such time so as to protect the record through any judicial review. Copies of the recordings may be provided by the University to any party to the proceeding, upon tender of the appropriate costs or expenses of recording. Any party wishing the proceedings to be transcribed may do so at their own expense.

7. To have all decisions rendered by the Chair, and/or the Dean, and/or the Committee to be in writing. The writing shall contain findings of fact, conclusions, and a resolution of the case. The decision of the committee is final unless appealed within three (3) days of the date the decision or three (3) days from the date the decision is served upon the student, whichever is later in time.

8. To appeal a Committee's decision to the President of the University. The Presidents review is limited to compliance with all university policies, codes, rules or regulations that pertain to the appeal at hand. Notice of Appeal(s) to the President shall be made in writing, within three (3) days of the date of the decision or three days from the date the decision is served upon the student. Notice of Appeal(s) shall also be sent to Chairman of the Committee, who shall send the decision and any evidence retained by the committee to the President. The President shall make his ruling on compliance within ten (10) days of the Presidents receipt of the decision and evidence. Findings of facts cannot be appealed.

VII. Appeal Rights of Faculty, Staff

The faculty or staff may only appeal the decision of the Department Chair that involves academic misconduct, to the Dean. No other appeal is permitted by a member of the faculty or staff. The decision of the Dean is final as to members of the faculty and staff. The procedures and notices for this appeal shall be the same as set forth in VI 1 thru 8 above (Appeal Rights of Students).

ACADEMIC HONESTY POLICY FOR THE SCHOOL OF BUSINESS SOUTHEASTERN OKLAHOMA STATE UNIVERSITY

I. STATEMENT OF PRINCIPLES

Academic honesty and ethical behavior are essential to existence and growth of an academic community. These principles are central concepts in the educational experience of the student taking courses in the School of Business. A School's intellectual reputation rests on the development and adherence to the highest standards of intellectual ethics and honesty. A commitment to these standards by a student attending any course in the School of Business is an expectation and requirement for a passing grade. Any breach of the expectations of academic honesty and academic ethics will be considered unacceptable and will merit censure.

The breaches of academic honesty and ethical behavior includes cheating, plagiarism, and the unauthorized possession of exams, papers, computer applications or other class materials that have not been formally released by the instructor. Academic dishonesty can be simply stated as misrepresenting another's ideas and efforts as one's own. These efforts may take the form of examinations, written assignments, computer applications, research or any other work product required of the student.

Faculty in the School of Business have endorsed this policy. The School of Business will support the Faculty in their attempts to enforce a rigorous standard of academic honesty and academic ethics in all classes and at all levels of academic standing.

II. DEFINITIONS OF VIOLATIONS

A. *CHEATING*--Cheating may be defined as using unauthorized materials or giving or receiving unauthorized assistance during an examination or other academic exercise. Examples may include:

- *copying the work of another student during an examination OR other academic exercise (including computer exercises), or permitting another student to copy one's work;
 - *taking an examination for another student, or allowing another student to take one's examination;
 - *possessing unauthorized notes, study sheets or other materials during an examination or other academic exercise;
 - *falsifying or tampering with examination results; and
- completing, copying, or using the results of any other student's computer assignments.

B. *PLAGIARISM*--Plagiarism may be defined as the use of another's ideas or words without acknowledgement. Examples of plagiarism may include:

- *failing to use quotation marks when quoting from a source;
- *failing to document distinctive ideas from a source; and
- *fabrication or inventing sources.

C. *UNAUTHORIZED POSSESSION OR DISPOSITION OF ACADEMIC MATERIALS*--Unauthorized possession or disposition of academic materials may include:

- *selling or purchasing examinations or other academic work;
- *taking another student's academic work without permission;
- *possessing examinations or other assignments not formally released by an instructor; and
- *submitting the same paper for two different classes without specific authorization.

III. SANCTIONS

Breaches of academic honesty or academic ethics will result in disciplinary measures that may include:

- *a failing grade for a particular assignment or examination;
- *a failing grade for a particular course;
- *suspension from the School of Business program at any level; and
- *application from the School of Business to the Vice President for Student Affairs of the University for the offending student's suspension for various lengths of time or permanent expulsion from the university.

IV. PROCEDURES

A. If a student is accused of a breach of the Academic Honesty Policy, the faculty member affected must notify the student or students accused of the specific behavior that is alleged to be a violation of said policy. The information of the violation of policy may be a result of direct observations of the faculty member or through information received by the faculty member. The faculty member should give the student an opportunity to explain any extenuating circumstances. If the faculty member reasonably believes that the behavior is a violation of the Policy of Academic Honesty and that the student is responsible for said violation, then the faculty member will discuss with the student the sanction that she/he will assess for this infraction. If the student agrees with the proposed sanction, a memorandum of the matter and its results should be prepared, and both the faculty member and the student should sign it. A copy of the memorandum will be forwarded to the Department Chair and a copy will be placed in the student's advisor file. Copies may also be forwarded to the Dean of the School of Business and the Vice President for Student Affairs if this remedy is called for in the memorandum.

B. If the student does not agree to the sanction imposed, the student and the faculty member will meet with the Department Chair at the soonest time reasonably available. At this meeting the student and the faculty member will be given the opportunity to discuss the infraction. Every reasonable effort should be made to allow the student an opportunity to respond to the allegations.

C. Within fourteen (14) days, the Department Chair will make a decision on the matter and inform both the faculty member and the student in writing of that decision.

D. If the student wishes to appeal the decision, he/she may petition the School of Business Dean for a Grievance Hearing.

E. Any disciplinary actions and decisions should be reduced to writing and be placed in the student's advisor file.

ACKNOWLEDGEMENT

Please read the following statement and sign and date where indicated. This must be handed in prior to taking the first exam.

I _____ have read the syllabus for Accounting 4983
(Print your name)

I fully understand the requirements for this class.

Signature

Date