

ACG 6685 — Forensic Accounting
Fisher School of Accounting, University of Florida
Module IV, Spring 2016
Gerson 121, February 27th to April 24th

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Office Hours: Tuesday 5th and 6th period and by appointment

Catalog Description: This is a 2 credit-hour course described by the graduate catalogue as
“Analysis of contemporary forensic and investigative accounting. Topics include fraud auditing, litigation support, valuation, cybercrime and other key forensic topics.”

Prerequisites: ACG 5647 (minimum grade of “C”) or ACG 5637 (if taken prior to Spring 2015 and minimum grade of “C ”);
ACG 5226 (minimum grade of “C”)
& 7AC standing

Objectives: A survey of the rapidly developing and increasing relevant field of forensic accounting. The course explores the role of forensic accounting in facilitating dispute resolution in an economy characterized by information asymmetry, complex transactions and litigation. Topics covered include fraud detection and fraud investigation techniques, valuation of closely held businesses, lost profits analyses, and various types of litigation support services. Fundamental legal concepts governing expert witness testimony are also examined and students are required to quantify economic damages in cases. By the end of the course, students should understand the role that a forensic accountant plays in investigating and detecting various fraud schemes as well as leveraging their knowledge of financial information to bring clarity to issues affecting dispute resolution.

Materials: Textbooks: *Forensic Accounting (1st Edition)*. Rufus, R., Miller, L., and Hahn, W.

Evaluation:

Individual Project	20%
Group Projects	30%
Final Exam	<u>50%</u>
	100%

Course Grade: Final grades will be based on obtaining the following percentage of total course points: 93-100% = A; 90-92% = A-; 87-89% = B+; 83-86% = B; 80-82% = B-; 77 -79% = C+; 73-76%= C; 70-72% = C-; 67-69% = D+; 63-66% = D; 60-62%=D-; 0-59%=E. Required percentages may be reduced based on a course curve that reflects a student's performance relative to the rest of the class.

Grade Values: The grade-point value per credit hour associated with each letter grade is assigned by the Office of the University Registrar:
A = 4.0, A- = 3.67, B+ = 3.33, B = 3.0, B- = 2.67, C+ = 2.33, C = 2.0, C- = 1.67, D+ 1.33, D = 1.0, D- = .67, E = 0.0
For more information visit:
<https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

Group Projects: There are two group projects due on March 27 and April 17. Additional details will be provided on the logistics of these projects, which will require your team to request for information under search constraints.

Mobile Home Monster: This case requires your group to conduct a simulated asset tracing investigation using public records to help the U.S. Department of Justice decide whether to pursue a case (involving the violation of the Fair Housing Act, Title VIII of the Civil Rights Act) whose viability is dependent on the ability of the defendant to pay punitive damages and a civil penalty. (Due March 27)

Mountain State Sporting Goods: This case requires your group to conduct a forensic investigation in response to suspicion of fraud in a company. (Due April 17)

Individual Projects: There are 5 individual projects, which are indicated on the weekly schedule of topics. Each assignment is due in class on the date indicated on the tentative schedule. **See the tentative class schedule**

Make-Ups: A make-up exam will be given when the student has a valid verifiable reason for not taking the exam during the scheduled time. Barring a documented emergency, the request must be made a minimum of ten days prior to the scheduled exam. Exceptions are made if the policy conflicts with UF attendance requirements: <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>

Honesty: Academic dishonesty will not be tolerated. Students are required to know and comply with the university's policy on academic honesty. This policy is detailed in the Undergraduate Catalog and by reference is included in this course syllabus. For more information visit:
<https://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>

Civility: This course will be conducted in a courteous and professional manner. Inappropriate classroom behavior of any form will not be tolerated. At the instructor's discretion, students acting in an uncivil manner will receive a grade

reduction commensurate with the infraction. Students can be withdrawn from the course for excessive unacceptable behavior.

Attendance: While roll may not necessarily be taken at every class, students are expected to attend and participate in every class. Students should prepare for all classes even if they miss and are responsible for material covered in their absence. Students may not attend a class unless they are officially registered for the course. The Fisher School of Accounting does not approve requests to audit its courses.

Students who do not attend at least one of the first two class meetings of a course or laboratory in which they are registered, and who have not contacted the department to indicate their intent, may be dropped from the course. However, students should not assume they have been dropped from a course if they fail to attend the first few days of class.

In addition, the instructor adheres to all UF attendance policies documented at: <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>

Evaluation: Students are expected to provide feedback on the quality of instruction in this course based on 10 criteria. These evaluations are conducted online at <https://evaluations.ufl.edu> Evaluations are typically open during the last two or three weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>."

Disabilities: Students requesting classroom accommodations must first register with the Dean of Students Office. Support services for students with disabilities are coordinated by the [Disability Resource Center](#) in the [Dean of Students Office](#). All support services provided for University of Florida students are individualized to meet the needs of students with disabilities.

To obtain individual support services, each student must meet with one of the support coordinators in the Disability Resources Program and collaboratively develop appropriate support strategies. Appropriate documentation regarding the student's disability is necessary to obtain any reasonable accommodation or support service.

The Dean of Students Office will provide documentation to the student who must then provide this documentation a minimum of ten days prior to the requested accommodation.

Tentative Weekly Schedule of Topics (March 9th to April 24th)

Date	Topics	Reading	Assignment
Week 1 Week 1	Introduction to the World of Forensic Accounting Professional Responsibilities	Chapters 1 Chapter 10	There is no class this week. 1. Read <i>Holland v. United States</i> , 348 U.S. 121 (1954) and submit the assignment as indicated below: 2. Dock Creek Land Company (10-37)
Week 2 Week 2	The Legal Environment of Forensic Accounting Screening and Staffing Engagements	Chapter 2 Chapter 3	<i>U.S. v. Bonnie Bain</i> (2-49) <i>U.S. v Rhonda Nelson</i>
Week 3 Week 3	Conducting a Fraud Investigation	Chapter 7 Chapters 4 & 6	Darpar Company
Week 4 Week 4	Fraudulent Financial Reporting	None Chapter 5	Fun and Games Corporation
Week 5 Week 5	Transforming Data into Evidence	Chapter 8 & 9	Fraud Buster (9-90) Turn Excel into a Financial Sleuth ¹
Week 6 Week 6	Business Valuation	Chapter 11	Hellman Candy (11-97)
Week 7 Week 7	Economic and Commercial Damages	Chapter 12	Martin Myers (12-87)
Week 8 Week 8	Reading Days—No class Final Exam	None None	Examination on April 24

¹ <http://www.journalofaccountancy.com/Issues/2003/Aug/TurnExcelIntoAFinancialSleuth>

Activity	Points	Deadline	Assignment
Individual projects	20%	March 13	U.S v Holland (see below) Dock Creek Land (10-37)
		March 27	Fraud Buster (9-90)
		April 10	Hellman Candy (11-97)
		April 17	Martin Myers (12-87)
Group projects	30%	March 27	(Mobile home Monster)
		April 17	(Mountain Sporting Goods)
Examination	50%	April 24th	
Total	100%		

Week 1 Assignment

In *Holland v. United States*, 348 U.S. 121 (1954), Justice Clarke indicated that, “while it cannot be said that the dangers for the innocent inherent in the net worth method of proof foreclose its use, they do require the exercise of great care and restraint.”

Required:

1. What are the inherent dangers inherent in the net worth method of proof?
2. As a forensic accountant, what care and restraint should you use in deploying the net worth method to assure that you do not visit excessive dangers on the innocent?