

THE UNIVERSITY OF TEXAS AT AUSTIN

ACC F383K.4, Fraud Examination (unique no. 71050)

Course Syllabus  
Summer 2020 (First Session)

**Time:**

Mondays, Tuesdays and Wednesdays from 8:00 – 10:00 a.m. (synchronously via Zoom)

**Instructor**

Mark Bradshaw, J.D., M.P.A., M.B.A.  
Lecturer, McCombs School of Business (2006 - Present)  
KPMG Professor in Residence (2007)  
Of Counsel, Matheson, Keys & Kordzik PLLC  
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Office hours (via Zoom): Mondays from 10:00 – 11:00 a.m. and by appointment.

*Please e-mail if you wish to reach me outside of class and office hours.*

**Teaching Assistant**

Israel Escudero  
E-mail: isresc2@gmail.com  
Office hours: Please contact Israel if you have questions or concerns regarding a case score.

Israel will assist with the grading of cases and exams. After graded cases are returned, he will be available via email and Zoom, if necessary, to discuss such assignments. *Please bring all other questions (including questions concerning case preparation and exam-related matters) to my attention.*

**Canvas**

We will use the web-based University of Texas at Austin "Canvas" system extensively. To access Canvas, go to <http://courses.utexas.edu> or follow the links from other University websites.

I will use Canvas to post announcements, class materials and scores. ***Please check Canvas frequently and before every class.*** You can also use the Canvas discussion feature to post comments, questions, and responses to others' posts. *If you have a course-related question that is not a personal matter, please use Canvas, not e-mail, so that all students can benefit from the question and response(s).*

## **Enhancing the Enjoyment of this Course**

I prefer an informal classroom, as I have found such an environment to be more enjoyable and conducive to student attendance, participation and learning. I hope you will let me know during class if you have a question, comment or response. ***In this class, silence is not golden!***

Please assist me in maintaining a positive, productive learning environment by showing courtesy and respect for your fellow students (and me). To that end, *please make all reasonable efforts to be on time to class and exams.* **When you enter the virtual classroom, please do so via Canvas and not from a personal (non-UT) Zoom account, as entering from outside of Canvas causes me to have to stop and allow individual access, as well as creating a security risk.**

Slides for lectures will be available on Canvas before class. Although only a small portion of such slides will be covered in class – *they are provided primarily to assist you with exam preparation* - I recommend that you print out the slides (4 or 6 to a page) before each class, or have them available electronically, and take notes as we cover selected material.

You will have a formal opportunity to provide feedback on the course via the end-of-semester Course Instructor Survey, but please contact me during the semester if you wish to discuss any aspect of the course in person.

## **Required Course Materials:**

***Course files.*** As noted above, I will provide slides, cases, supplemental non-textbook readings, and other course materials on Canvas. ***These materials do not substitute for class itself, so it is important to attend each class session (or at least watch the recorded class if you are not able to attend live).***

***A Guide to Forensic Accounting Investigation***, 2<sup>nd</sup> edition, by Skalak, Golden, Clayton & Pill (Wiley, 2011), available online at no charge via the UT Library (sign-in needed) at <https://onlinelibrary-wiley-com.ezproxy.lib.utexas.edu/doi/book/10.1002/9781119200048>.

## **Course Objectives**

At the end of the course, you will have a better understanding of the following:

1. Fraud examination as a profession;
2. Differences between audits and fraud investigations;
3. Independence, legal and other obligations of the auditor and fraud examiner with respect to fraud;
4. Financial reporting fraud, asset misappropriation, bribery and corruption, Ponzi and other fraud schemes, their red flags, and their means of detection.
5. Fraud psychology;

6. Fraud detection and investigation techniques;
7. The role of management, internal audit and other parties in fraud detection, deterrence and investigations;
8. Commencing and conducting a fraud investigation;
9. Working with counsel;
10. Handling anonymous communications and other pre-investigation considerations;
11. Interviewing skills;
12. Investigation reports;
13. Money laundering;
14. Public corruption; and
15. Domestic and international anti-corruption laws.

### **Grading**

Course grades will be based on a 350-point scale, as follows:

	Points Possible
Midterm examination	100 (28.5%)
Final examination	100 (28.5%)
Cases (3)	100 (28.5%)
Class attendance and participation	50 (14.5%)
<b>Total possible points</b>	<b>350</b>

*I do not have fixed point or percentage cut-offs in mind regarding letter grades. I will make these determinations at the end of the semester based on both relative and absolute performance considerations.* Historically, my grade distribution in this class has been approximately 35% A, 15-20% A-/B+, 40-50% B, with the remainder B- or below. *However, each class is different and this course's grade distribution may vary from the foregoing.*

Each graded component is described below:

### **Examinations (midterm and final each worth 100 points)**

Examinations will emphasize concepts and issues discussed in class and in the slides, although any material from assigned readings is "fair game" for testing. The format and time provided for

exams (type of questions, and whether “take home” or in class) will be announced, along with preparation guidance, approximately one week prior to each exam. The most likely scenario is that the midterm exam will be given synchronously (in class), the final exam will be “take home,” and most exam questions will be short answer and/or essay.

The midterm examination will test material covered to that point in the course, as announced. The final examination will cover the remainder of the material in the course (i.e., it will not be “cumulative,” as such term is normally used). Of course, as some material in this course builds on previous concepts, the final examination will be “cumulative” in the broad sense of that term.

### **Cases (100 points)**

To refine your writing skills and your ability to deal with more realistic problems in fraud examination, there will be three case exercises based on real-world examples that have been adapted for teaching purposes.

Cases will be graded for breadth and depth of analysis, quality of writing and professional impression. Case questions may, in certain instances, be subjective issues for which there will be no single “right answer” and multiple views can be defended. ***It is important to be both complete and concise in your case analyses.*** Do not repeat or summarize the case facts, except where needed to support a position. ***Your case analyses will be limited to four pages each (unless otherwise announced) and must be double-spaced, use a font no smaller than 10, and have left and right margins of at least 1”.***

In the formative stage of a case assignment, you are welcome to discuss the case with other students *in this class (but not others outside of this class)*, including on Canvas. ***However, copying or paraphrasing from another student's draft or final solution, in whole or in part, is scholastic dishonesty, and will be penalized severely.*** See “Policy on Scholastic Dishonesty” later in this syllabus for clarification.

The assigned cases will be posted on Canvas. Due dates will be as set forth in the “Anticipated Course Schedule” at the conclusion of this syllabus, unless changed per class announcement. Each case will be worth 30-40 points, as announced when each case is assigned.

All cases will be due ***before class*** via Canvas upload on the day indicated, unless otherwise announced. Time permitting, we will discuss the first two cases in class, on or after the due date. Discussion of cases is an important part of the course, *so please be prepared to discuss and defend your positions in class* (see “Class Attendance and Participation,” below).

### **Class Attendance and Participation (50 points)**

Your consistent attendance (synchronously, if possible) and active participation will make this course substantially more enjoyable (for you and me) and significantly enhance the clarity of points discussed in class. To give you an added incentive to attend and participate, 50 points will be based on your attendance and my largely subjective (but genuine) assessment of your cumulative participation and contribution in this class. Assessing participation at the conclusion of the course requires my judgment, but you can trust me to do my best to form a fair assessment of your participation and contribution.

To earn points for participation and attendance:

- **Ask and answer questions and offer insights in class discussions.**

- **Actively participate in any discussions led by guest speakers.**
- **Attend class.**

*To earn a high participation score, substantial classroom participation and consistent attendance is necessary.*

As the summer session is so abbreviated, attendance will be taken most class days. Attendance is almost certain to be taken, however, on days when we have guest speakers, video presentations and do in-class group exercises (video presentations and exercises may not be announced in advance), *but may be taken any day in my discretion. Attendance is a material factor in determining your overall participation score. In addition, any student who is absent 50% or more of the days on which attendance is taken will receive an attendance and participation score of zero (out of 50) in the course, regardless of any class participation.*

*In evaluating course performance, I also reserve the right to take into account any violations of course policies or any other activities that are disruptive to the class.*

#### Alternate Policies for Students Residing in Certain International Time Zones

Although this course will be taught synchronously, I appreciate that some students may be unable to attend “live” because they live in international time zones that make live attendance highly inconvenient or impracticable (“Asynchronous Students”). For purposes of this class, I define “inconvenient or impracticable” to mean that class would begin for you (at your place of residence) after 8:00 p.m. in the evening, or begin prior to 7:00 a.m. (i.e., class would begin for you between 9:00 p.m. and 6:00 a.m., inclusive). If you establish that you live in such a time zone, then a verified viewing of the entirety of a recorded class within 24 hours of its conclusion will satisfy the attendance requirement for such class. Please note that this policy does not apply to students who reside in time zones in which class begins between 7:00 a.m. and 8:00 p.m. (even if you are traveling) (“Synchronous Students”).

True class participation will obviously be impossible for Asynchronous Students, as they will be unable to interact with me, a guest speaker, or the class live. However, in order for Asynchronous Students to have an opportunity to participate, I will accept questions in advance of class, via email (with a limit of two per class, please). As with in-class participation, this is optional, not a requirement. Again, this alternate means of participation is only available to Asynchronous Students.

If you are an Asynchronous Student, please contact me the first week of class with verification of your residence for the period covered by the course (June 8 to July 11) and we can discuss the application of the foregoing policies to you. If you do not contact me in a timely manner, I will presume that you are a Synchronous Student.

#### Don't be Shy!

As in any course, it is common for some students' early performance in the course to fall short of their goals or expectations. Unfortunately, it is also common for such students to not seek input or assistance in a timely manner, leading to anxiety and diminished opportunities for a particular grade.

*If at any point you have a concern about your performance in the course, please see me – do not wait until it becomes too late.* I will be happy to provide suggestions on how you might improve your performance.

## **Discussion Board**

Along with other features of Canvas, I strongly encourage you to take advantage of the discussion boards for this course. Postings can relate to class discussions, case issues, exam-related questions, current events, or any other topics/issues that are relevant to this course (including career-related matters). I monitor the discussion board periodically, and more frequently approaching case due dates and exams.

### **Ground rules for Canvas Discussion:**

1. *For questions or comments of general interest to the class (i.e., non-personal matters), please use a discussion board, not e-mail!*
2. Be professional and courteous. Discussion forums of this type are used throughout the business world. You do not need to be overly formal, but forums such as this offer a good opportunity to practice professional business communication. *Please keep in mind that I will read your posts.*
3. Do not be a free rider. If you benefit from reading others' postings, consider adding your own insights. Also, reply to inquiries from your fellow students.
4. Even if you have nothing to post, please **get in the habit of accessing the discussion board frequently, and before each case due date and exam.** I will often use Canvas to communicate important announcements and clarifications.
5. I will establish a special forum for each exam and case. *To maximize the usefulness of your post, please use such forums for case- and exam-related questions.*

### **Canvas downtimes and cases:**

As with all computer systems, there are occasional scheduled downtimes as well as unanticipated interruptions of the Canvas system. Notification of these disruptions will be posted on the Canvas login page. Scheduled downtimes are **not** an excuse for turning in a case late or failing to complete other course requirements. However, if there is an unscheduled downtime for a significant period of time, I will make an adjustment if it occurs close to the due date. *As downtimes are often unpredictable, I advise you to print out case materials as soon as they are available.*

## **Policy on Missed Examinations and Assignments**

*In general, medical emergencies, family emergencies, university-sponsored conflicts and religious holidays (see below) are the only valid reasons for missing an examination or the due date of a case.* In all such instances, I require some form of supporting documentation, such as a signed note from a physician or a University official, and ask that you register your situation with the Office of Student Emergency Services (OSES) consistent with OSES policies, if possible. At that point I will decide the best make-up alternative on a case-by-case basis, which could mean a make-up exam or recalculating the semester grade to omit the missed component, depending on the circumstances. Examinations or assignments that are missed or late for reasons other than such emergencies or university-sponsored conflicts will generally receive no, or substantially reduced, credit. In the case of a conflict due to a university-sponsored event, you must notify me as soon as you are aware of the conflict and *before* the examination date or assignment due date.

*Please note that summer travel is not a valid reason for missing an examination or turning in an exam or a case late. If you anticipate a conflict with an exam or case due date (see “Anticipated Course Schedule” below), I urge you to make alternate arrangements for that activity or event, or plan to turn in your exam or case early.*

### **Religious Holidays**

Religious holy days sometime conflict with class and examination schedules. By University policy, you must notify me of your pending absence *prior* to the date of observance of a religious holy day. If you must miss an examination or class in order to observe a religious holy day, appropriate relief will be provided.

### **Policy on Students with Disabilities**

The University strives to accommodate qualified students with disabilities. Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities (SSD), 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>. If you are a qualified student with a disability, please see me to discuss any appropriate accommodations that have been recommended by the SSD office for this course.

### **University Electronic Mail Notification Policy**

All students should become familiar with the University’s official e-mail student notification policy. It is the student’s responsibility to keep the University informed as to changes in his or her e-mail address. Students are expected to check e-mail on a frequent and regular basis in order to stay current with University-related communications, recognizing that certain communications may be time-critical. It is recommended that e-mail be checked daily, but at a minimum, twice per week. The complete text of this policy and instructions for updating your email address are available at: <http://www.utexas.edu/its/policies/emailnotify.html>.

### **Electronic Class Roster and Student Privacy**

The University has requested that students be notified of their privacy rights in regard to electronic class rosters:

Password-protected class sites will be available for all accredited courses taught at the University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: <http://www.utexas.edu/student/registrar>.

## Policy on Scholastic Dishonesty and Working Together on Cases

### Policy of the Department of Accounting

The Department of Accounting has a Policy Statement on Scholastic Dishonesty in the MPA Program. It is available via the Department website at <https://my.mcombs.utexas.edu/MPA/Student-Codes-of-Ethics>.

**The Department of Accounting has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Department's Policy Statement on Scholastic Dishonesty in the MPA Program. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.**

Integrity is a public good from which we all benefit and a trait of successful businessmen and women. I intend to conduct this course in an environment of trust and cooperation. *I can only achieve this, however, if you maintain absolute ethical integrity in this course. If in doubt, ask me!*

### Personal Policy on Working Together on Cases (applies only to this course)

*For this course, you may discuss issues related to assigned cases with other students in this class (but not other persons). You may work in the formative stages of an assignment with others to clarify issues or exchange ideas. However, **the joint or collaborative preparation of case solutions is not permitted and I expect the final product of each collected assignment to reflect individual thought and composition. You may not copy or paraphrase from others' draft or final solutions.** Examples intended to clarify this policy follow.*

### Examples of acceptable collaborative efforts (apply only to this course):

- A student is confused about an ambiguous aspect of a case, and asks another student in the class what s/he thinks.
- Students ask questions and share helpful insights in class or on Canvas.

### Examples of collaborative efforts that are unacceptable:

- Student A completes a case before student B. B asks A for (or A offers) A's solution. B bases his/her solution on A's solution. Both A and B are guilty of scholastic dishonesty.
- A student finds a source relevant to a case and copies extensively from it, without using quotation marks, indentation or other references to acknowledge the source. This example constitutes



plagiarism, which is a clear case of scholastic dishonesty.

- A student finds or is given a solution to a case, whether online or provided by another source (e.g., a former student in the course), and bases his/her solution, in whole or in part, thereon.
- Any collaboration, breach of security or other cheating on a course examination.

### **Anticipated Course Schedule**

Assigned chapters are from the text noted above. **Various other readings will supplement the text and be added to Canvas modules from time to time.**

*Please note the concentration of cases and readings following the Midterm Exam and plan accordingly.*

**IMPORTANT:** Please complete each day's assigned reading *before class*. The readings provide background that is necessary for understanding classroom discussion.

Date	Topic	Reading Assignment
June 8	Course overview Introduction to fraud examination Comparison of audits and fraud investigations	Syllabus Chs. 1, 29 Chs. 3, 5
9	Comparison of practices, continued Auditor responsibilities regarding fraud Independence considerations for the auditor and fraud examiner	Ch. 4 Ch. 11
10	Independence, continued	
15	Guest speaker*  <b>Case 1 due by 8:00 a.m. CST (class time)</b>	
16	Fraud psychology and characteristics <i>Additional readings:</i> Fraud red flags and detection techniques Financial reporting fraud and asset misappropriation schemes	Ch. 2  Ch. 13 Chs. 21, 22, 23
17	Bribery and corruption – U.S. FCPA and U.K. Bribery Act	Supplemental readings
22	Public corruption Guest speaker*	Supplemental readings
23	Guest speaker*	

24	<b>Midterm Exam (during class)</b>	
29	<i>Commencing an investigation:</i> anonymous communications; working with investigators; early investigative matters	Chs. 8, 7, 14
30	<b>Case 2 due by 12:00 p.m. CST (noon)</b>  <i>Evening session (6:00-9:00) with forensic training software* (no class at 8:00 a.m.)</i>	
July 1	Interviewing skills  Guest speaker*	Ch. 16
6	<i>Conducting the investigation:</i> Building a case with evidence; supporting a criminal prosecution; working with legal counsel; reporting on an investigation  <b>Case 3 due by 8:00 a.m. CST (class time)</b>	Chs. 10, 19, 20, 18
7	Privacy issues and investigative challenges  Guest speaker*  <i>Additional reading:</i> Money laundering	Chs. 9, 12   Ch. 25
8	Ponzi schemes (video)	Ch. 24
	<b>Final Exam (TBA)</b>	