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| **Macintosh HD:Users:macinnis:Desktop:Formal_Leventhal_GrayOnWhite_no_Seal.jpg** | **ACCT 587 – FORENSIC ACCOUNTING** |
| **Syllabus – FALL 2017**  **Mondays only 5:00 PM-6:20 PM—JKP 204** |
| **Professor:** Omid Yazdi and Eugenia Wu |
| **Office:** ACC 214 |
| **Office Phone:** Professor Yazdi 310-383-1568  Professor Wu 213-533-3067  **Office Hours***: Office hours by appointment and also available via email and pre-scheduled phone conversations.* |
| **E-mail:** [oyazdi@kpmg.com](mailto:oyazdi@kpmg.com) [eugeniawu@kpmg.com](mailto:jim@dowlingadvisory.com) |

**Course Description**

Forensic accounting is one of the most dynamic areas in the field of accounting. The demand for individuals with forensic accounting skills continues to grow in all areas of business and those who possess the special tools and analytical capabilities to decipher complex financial disputes and uncover deception in financial and accounting processes will be a valuable asset to any organization.

This course will provide a basis for the understanding, appreciation and application of forensic accounting. The class will incorporate a blend of academic and real world situations and would be attractive to different groups of accounting and broader business school students who are interested in the subject.

**Course Learning Objectives**

Through discussions, lectures, case studies and a significant group project, you will learn the concepts and attain the technical knowledge that is expected of a first or second year forensic accountant, as well as apply such theories and methods while analyzing real world fraud schemes. Students will, by the conclusion of the course, should be able to explain the following concepts:

1. The role and responsibilities of the forensic accountant and the types of engagements typically involved in the field
2. Fraud risk management including prevention, detection and response to typical fraud schemes
3. Forensic interviewing processes including importance of documentation
4. Analytical and investigative tools and techniques for conducting a forensic investigation
5. Expectation on how to communicate the results of forensic investigations

**Graduate Program Student Learning Outcomes**

Below are the five Learning Outcomes developed for this program by the USC Leventhal faculty and administration and filed with the AACSB, the accrediting body for accounting and business schools.  This course will deal primarily with Outcome **#1—Technical, Conceptual, Problem-Solving.** To a lesser extent, this course will support Learning Outcomes **#2 – Professional Development** and #**4 – Ethical Principles and Professional Standards**

**1. Technical, Conceptual, Problem-Solving -** Students will be competent in and be able to apply discipline-specific knowledge and skills in the fields of accounting. This learning outcome includes the development of critical thinking and problem-solving skills, as well as an understanding of the strategic role of accounting in business organizations and society.

**2. Professional Development -** Students will learn to communicate clearly and strategically, after considering the relevant audience, situation, and purpose of the communication. Students will learn to demonstrate the ability to work productively with others to accomplish established goals.

**3. Research/Life-Long Learning -** Students will be able to use relevant research databases and academic/professional literature to gain new knowledge and analyze business situations.

**4. Ethical Principles and Professional Standards -** Students will be able to apply ethical principles and professional standards in analyzing situations and making informed decisions.

**5. Globalization and Diversity** - Students will be able to demonstrate an international perspective and appreciation for diversity and cultural differences, along with their significance in global business.

**Required Materials**

* *Forensic Accounting and Fraud Examination* (1st Ed) by Kranacher, Riley and Wells, 2011.
* *Managing the Risk of Fraud and Misconduct: Meeting the Challenges of a Global, Regulated, and Digital Environment* by Girgenti and Hedley, 2011.
* Various class handouts, including PowerPoints, supplementary resources, cases, problems, examination materials, etc. Note: all materials are copyrighted and may not be reproduced, distributed, or displayed without express written consent of the author.

You are encouraged to bring the textbooks to each class, as part of your participation grade includes being called on in class to describe key concepts in the pre-requisite reading. Textbooks are available through Amazon.com or the USC bookstore.

**Prerequisites and/or Recommended Preparation:**

Prerequisite for Marshall Business Students – ACCT 572. **NOTE**: Graduate students from

Leventhal will have the prerequisite waived by their academic advisor.

**ASSIGNMENTS AND GRADING DETAIL**

Grading components and relative weights are as follows:

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|  | Points | % of Total |
| Participation | 150 | 15% |
| Midterm | 150 | 15% |
| Investigation Report | 350 | 35% |
| Final Exam | 350 | 35% |
| Total | 1,000 | 100% |

Final grades represent how you perform in the class relative to other students. Your grade will not be based on a mandated target, but on your performance. Three items are considered when assigning final grades:

1. Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible).
2. The overall average percentage score within the class.
3. Your ranking among all students in the class.

**Topics and Assignments:**

A weekly schedule is at the end of the syllabus and includes course coverage on a weekly basis together with the exam and other important dates throughout the semester. Please note that this syllabus and assigned readings are subject to change. The field of forensic accounting requires that you deal with constant change and uncertainty and our class will incorporate aspects of this uncertainty. Changes will be indicated on Blackboard and an updated course schedule will be posted. You are required to check the contents of the Content Folder at the conclusion of each week to determine course coverage, readings, assignments, guests, etc. for the upcoming week. In the absence of any changes indicated on Blackboard, follow the attached course schedule. Any updates, as well as all course-related information, will be posted on the “Course Information” folder and should be available by Friday for the coming week.

**Class Participation and Professionalism:**

In addition to the case write-ups, there will be class discussion of cases, both assigned in homework and in the news. Students who miss class will earn zero points for participation on that day and attendance is tracked by sign-in sheet. It is your responsibility to sign in for each class session and attendance only counts when a student arrives on time and stays until the end of class. Attendance does not equate to participation but attendance is required for all six class meetings. **Except for the first class, students are expected to come prepared to discuss the pre-requisite reading material and explain concepts at a high level as they are called on in class (versus volunteering).** Participation points are awarded for substantive contributions to class discussions.

**Homework Short Case Study:**

In addition to a significant group case study described further below, there will be one key homework assignment based on required reading. The case study will require you to take a position for or against a recent piece of legislation that impacts the area of forensic accounting. You will be graded on the strength of the argument for your position and not the position itself. Specific instructions will be posted on Blackboard for each of these assignments.

**Investigation Report and Group Evaluations:**

The group case study is a significant investigation loosely based on an actual investigation. The class will be divided into groups. Each group will be provided materials for the Investigation Report, including business background information, financial statement information and data, and sample results of investigation procedures. Your group assignment will be to analyze the investigation procedures undertaken and their results and prepare a report to the client’s audit committee of your findings, next steps and recommendations.

You will also be required to provide an evaluation of each member of your group, including yourself, to help ensure that all members of your group are full and active contributors in this assignment. You will receive materials and more details during the second class. Peer evaluations may reduce an individual score on the group project.

**Final Exam:**

The exam will be based on the cumulative material covered in readings, lectures, and class discussions. There will be questions based on material covered in the lectures that is not available in the text. The learning experience in this class is designed to be effective and efficient. Accordingly, content covered in reading material may not be covered in the lectures. Conversely there will not be a requirement to read the chapters that cover the lectures, however, those relevant chapters are identified below in the reading assignment as optional reading. Please note that there are no book chapters associated for some of the lectures and therefore attendance to all classes is critical. Both the reading material and lectures will be covered in the final exam.

**Exam Make-Ups:**

Make-up exams will be given only if the instructor determines an extraordinary circumstance, justified by a legitimate excuse, and supported by appropriate and adequate documentation.

**Assignment Submission Policy:**

Assignments must be turned in at the START of class on the due date reflected in the Weekly Schedule. Should you have to miss class that day, the assignment must be uploaded to Blackboard by 1:30PM on the date the assignment is due. For all types of graded material, late work will not receive full credit. A hard copy assignments are required to be turned in at the beginning of the class. Please also email all assignments to both instructors prior to the start of the class.

**ADDITIONAL INFORMATION**

**Add/Drop Process**

You may be asked to withdraw from the class if you have missed one or more classes. In addition, the professors can ask that your enrollment from the class be dropped by the program office should you miss the first class.

These policies maintain professionalism and ensure a system that is fair to all students. The following is the schedule of important dates that you should be aware of:

1. Fall semester classes begin Monday, August 21th
2. Labor Day, University Holiday Monday, September 4th
3. Last Day to Drop with Refund and no “W” Friday, September 8th
4. Last day to drop without a mark of “W” Friday, October 6th
5. Last day to drop with a mark of “W” Friday, November 10th
6. Final Exam Monday, December 11th (5-7 p.m.)

**Retention of Graded Coursework**

Final exams and all other graded work that affected the course grade will be retained for one year after the end of the course ***if*** the graded work has not been returned to the student.

**Technology Policy**

Laptop are allowed but Internet usage is not permitted during academic or professional sessions unless otherwise stated by the respective professor and/or staff. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY e-devices must be completely turned off during class time. Upon request, you must comply and put your device on the table in off mode and FACE DOWN. You might also be asked to deposit your devices in a designated area in the classroom. Videotaping or audiotaping faculty lectures is not permitted due to copyright infringement regulations and the type of content covered in class. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class.

**Academic Conduct**

Students enrolled in any class offered by the Leventhal School of Accounting are expected to uphold and adhere to the standards of academic integrity established by the Leventhal School of Accounting Student Honor Code.  Students are responsible for obtaining, reading, and understanding the Honor Code System handbook.  Students who are found to have violated the Code will be subject to disciplinary action as described in the handbook.  For more specific information, please refer to the Student Honor Code System handbook, available in class or from the receptionist in ACC 101.

**Plagiarism**

## **Support Systems**

*Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call*

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.<https://engemannshc.usc.edu/counseling/>

*National Suicide Prevention Lifeline - 1-800-273-8255*

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. [http://www.suicidepreventionlifeline.org](https://urldefense.proofpoint.com/v2/url?u=http-3A__www.suicidepreventionlifeline.org_&d=DwMFAg&c=clK7kQUTWtAVEOVIgvi0NU5BOUHhpN0H8p7CSfnc_gI&r=_36nnFETM-Q6pZ6iq9FbkRLnOqB2hAKf3hpB7emICZo&m=E2UsZJRCMqi9OEfKUeqk9Y1uY3eDgl_cjSeDni9P-3s&s=twu831aNHupJnoiSEzsXZ1lmq9yCzJvEv35V5v5dYAY&e=)

*Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call*

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

*Sexual Assault Resource Center*

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website:<http://sarc.usc.edu/>

*Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086*

Works with faculty, staff, visitors, applicants, and students around issues of protected class.<https://equity.usc.edu/>

*Bias Assessment Response and Support*

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response.<https://studentaffairs.usc.edu/bias-assessment-response-support/>

*Student Support & Advocacy – (213) 821-4710*

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic.<https://studentaffairs.usc.edu/ssa/>

*Diversity at USC –* [*https://diversity.usc.edu/*](https://diversity.usc.edu/)

Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

**EMERGENCY PREPAREDNESS/COURSE CONTINUITY**

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (<http://emergency.usc.edu/>*)* will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC’s Blackboard learning management system (blackboard.usc.edu), teleconferencing, and other technologies.

**WEEKLY SCHEDULE/READINGS/ASSIGNMENTS**

Richard Girgenti (RG)

Mary-Jo Kranancher (MK) – You are not required to read the embedded “From the Fraudster’s Perspective” sections and other grey highlighted case studies in the chapters.

Reading material below highlighted in italics are suggested reading that complement the lectures. See “Final Exam” section above for additional details. Unless noted otherwise by identifying specific page numbers, the expectation is to read the full chapter.

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|  | **Date** | **Topic** | **Readings** |
| 1 | 8/21 | Overview of Class / Introduction to Forensic Accounting |  |
| 2 | 8/28 | Introduction to Fraud and Forensic Accounting (Cont’d)  *Note: Class will end at 5:45 PM due to Marshall event* | MK  Ch 1: pg 2-9 12-13,23-25, 32-33  Ch 2: pg 45-46  RG  Part I, pg 1-4 |
| 3 | 9/4 | **NO CLASS- LABOR DAY** |  |
| 4 | 9/11 | Financial Statement Fraud | RG  Ch 2  MK  Ch 14: pg 408-410, 411-415, 419-442  Ch 6: pg 151-158 |
| 5 | 9/18 | Investigation Techniques I | MK  Ch 8: pg 202-216,  RG  Ch 12 |
| 6 | 9/25 | Investigation Techniques II: Interviews and Reporting | MK  Ch 9: pg 233-255,  Ch 16: pg 496-497 |
| 7 | 10/2 | Anti-bribery and Corruption  Material for Lots of Books Inc. (LOBI) case study distributed | MK  Ch 13: pg 384-407  RG  Ch 3 |
| 8 | 10/9 | Fraud Risk Management and COSO 2013 | MK  Ch 13: pg 386-400, Ch 16: pg 496-497  RG  Ch 6-7 (pg 95-137) |
| 9 | 10/16 | Midterm |  |
| 10 | 10/23 | Corporate Governance & Compliance | RG  Ch 10 |
| 11 | 10/30 | Asset Misappropriation | MK  Ch 11-12,  Ch 4: pg 89-102 |
| 12 | 11/6 | Money Laundering | MK  Ch 6: 163-172  Ch 7 |
| 13 | 11/13 | Discussion of Select Investigations |  |
| 14 | 11/20 | Group Presentation of LOBI |  |
| 15 | 11/27 | Group Presentation of LOBI (continued as necessary) |  |
| 16 | 12/11 | **Final Exam** |  |
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