



**Credit Hours:** 3

**Contact Hours:** This is a 3-credit course, offered in accelerated format. This means that 16 weeks of material is covered in 8 weeks. The exact number of hours per week that you can expect to spend on each course will vary based upon the weekly coursework, as well as your study style and preferences. You should plan to spend 14-20 hours per week in each course reading material, interacting on the discussion boards, writing papers, completing projects, and doing research.

---

**COURSE DESCRIPTION AND OUTCOMES**

---

**Course Description:**

This course teaches students how to plan and execute complex fraud examinations and forensic accounting. Emphasis includes strengthening students' evidence gathering skills by determining relevant evidence in a fraud and/or forensic accounting investigation and how such evidence should be collected and interpreted to avoid legal issues. Students will learn how to implement advanced analytical techniques for detecting common types of financial statement fraud schemes. Students will also gain comprehensive skills to prepare for and conduct interviews of witnesses and suspects in a fraud and/or in a forensic accounting investigation, as well as provide valuation support, litigation support, and expert testimony services in court under direct and cross-examination.

**Course Overview:**

This course explores how to plan and to execute complex fraud and forensic accounting investigations and examinations. The first two modules include an introduction to fraud and forensic investigative accounting and typical situations involving employee and financial statement-related frauds. Modules 3 and 4 focus on litigation services provided by forensic accountants, including how to properly gather and store evidence, as well as different types of litigation support forensic accountants provide to the courts and lawyers in special situations. Module 5 covers the forensic accountant's role in estimating losses and navigating the legal system in commercial damage situations. Modules 6, 7, and 8 emphasize the roles of forensic accountants in investigations related to electronic data, digital forensics types of analyses, and cybercrimes—including legal issues and loss valuations involved in these situations.

**Course Learning Outcomes:**

1. Evaluate history and status of the forensic accounting profession.
2. Evaluate financial fraud schemes and employ advanced analytical techniques for detecting common types of financial fraud schemes.
3. Evaluate money laundering and transnational financial flows as well as apply indirect techniques of income reconstruction.
4. Prepare for and learn how to conduct interviews of witnesses and suspects in fraud investigations; evaluate courtroom procedures and litigation support; and utilize proper fraud evidence management.

5. Evaluate cybercrimes, electronic data investigations, digital forensics analysis, and legal issues associated with cybercrimes.
6. Describe and apply how to compute economic damages, including commercial damages and cybercrime losses.

---

## **PARTICIPATION & ATTENDANCE**

---

Prompt and consistent attendance in your online courses is essential for your success at CSU-Global Campus. Failure to verify your attendance within the first 7 days of this course may result in your withdrawal from the course. If for some reason you would like to drop a course, please contact your advisor.

Online classes have deadlines, assignments, and participation requirements, just like on-campus classes. Budget your time carefully and keep an open line of communication with your instructor. If you are having technical problems, problems with your assignments, or other problems that are impeding your progress, let your instructor know as soon as possible.

---

## **COURSE MATERIALS**

---

**Textbook Information is located in the CSU-Global Booklist on the Student Portal.**

---

## **COURSE SCHEDULE**

---

### **Due Dates**

The Academic Week at CSU-Global begins on Monday and ends the following Sunday.

- **Discussion Boards:** The original post must be completed by Thursday at 11:59 p.m. MT and Peer Responses posted by Sunday 11:59 p.m. MT. Late posts may not be awarded points.
- **Critical Thinking:** Assignments are due Sunday at 11:59 p.m. MT.
- **Live Classroom:** Although participation is not required, Live Classroom sessions are held during Weeks 3 and 6. There are two total sessions.

---

## **WEEKLY READING AND ASSIGNMENT DETAILS**

---

### **Module 1**

#### **Readings**

- Chapters 1-4 in *Forensic and Investigative Accounting*
- Association of Certified Fraud Examiners (2009). *How to detect and prevent financial statement fraud* (2nd ed.). Retrieved from [https://www.acfe.com/uploadedFiles/Shared\\_Content/Products/Self-Study\\_CPE/Financial-Statement-Fraud-2009-Chapter-Excerpt.pdf](https://www.acfe.com/uploadedFiles/Shared_Content/Products/Self-Study_CPE/Financial-Statement-Fraud-2009-Chapter-Excerpt.pdf)

**Discussion (25 points)**

**Critical Thinking (75 points)**

Choose one of the following two assignments to complete this week. Do *not* complete both assignments. Identify your assignment choice in the title of your submission. Note that while there are two options for the Critical Thinking Assignment, there is only one rubric. Review the rubric to confirm you are meeting the assignment requirements.

Please review the APA Sample Research Paper provided in the Module 1 folder to better understand the course expectations for what the formatting of your assignment submission should look like, not only for this assignment, but also for any research paper or writing assignment throughout this course:

**Option #1: Crisis at Tyco: A Director's Perspective**

Read the case study: *Crisis at Tyco: A Director's Perspective* (linked in the Module 1 folder)

Address each the following items specifically in your Word document submission by copying and pasting each item in bold type.

1. Put yourself in Wendy Lane's shoes when she was considering Tyco's offer to join the board. What due diligence would you conduct before accepting the offer? Elaborate on any red flags you would have noticed, given the information you are provided in the case study.
2. If you were in Wendy's position as an audit committee member, explain what you could have done to reduce the likelihood that Tyco would face these types of problems.
3. Suppose that you are the current Nominating Committee Chair of the board of Tyco. State whether you would invite Wendy Lane to be on the board. Why or why not (be specific)?
4. What would your reaction be to the Top Ten Lessons which Wendy learned from the crisis at Tyco (see Exhibit 7 in the case study). Again, be specific.

Your submission should be at least four pages in length, double-spaced (excluding a separate cover page and a separate reference page), and formatted according to the CSU-Global Guide to Writing & APA. Submissions of more than four pages are acceptable. Be sure to discuss and reference concepts taken from the recommended and required module readings and your own relevant research. You must include a minimum of three credible, academic or professional references beyond the required or recommending readings. Review the grading rubric to see how you will be graded for this assignment.

**Option #2: Financial Reporting Problems at Molex**

Read the case study: *Financial Reporting Problems at Molex* (linked in the Module 1 folder)

Address each the following items specifically in your Word document submission by copying and pasting each item in bold type.

1. Explain the financial reporting problem(s) at Molex. Describe how the correction of the problem would be recorded in Molex's financial statements following current US GAAP. Be specific.
2. What factors do you believe influenced management's decision not to raise the issue(s) with the auditors? Be specific.
3. Explain why Molex's auditors were concerned about the financial reporting problem at Molex. If you were a member of the board of directors of Molex during that time (for example, a member of the Audit Committee), state whether you would have agreed with the auditor's concerns. Be specific.
4. As a member of Molex' board of directors at that time, what would you have done to respond to the auditor's request that the CFO (and possibly the CEO) be replaced? Explain the implications of replacing or not replacing the CFO. Be specific.

Your submission should be at least four pages in length, double-spaced (excluding a separate cover page and a separate reference page) and formatted according to the CSU-Global Guide to Writing & APA. Submissions more than four pages are acceptable. Be sure to discuss and reference concepts taken from the recommended and required module readings and your own relevant research. You must include a minimum of three credible, academic or professional references beyond the required or recommending readings. Review the grading rubric to see how you will be graded for this assignment.

### **PORTFOLIO PROJECT REMINDER**

A final Portfolio Project is due at the end of the course. You have **two options** from which to choose for this final project. This week, you should evaluate the Portfolio Project options and the Portfolio Project grading rubric and start to think about which Portfolio Project option you may select for this course.

Keep in mind that you have a preliminary deliverable for your Portfolio Project, which is due in Module 4 (worth 75 points).

## **Module 2**

### **Readings**

- Chapters 5-7 in *Forensic and Investigative Accounting*

### **Discussion (25 points)**

#### **Critical Thinking (75 points)**

Choose one of the following two assignments to complete this week. Do *not* complete both assignments. Identify your assignment choice in the title of your submission. Note that while there are two options for the Critical Thinking Assignment, there is only one rubric. Review the rubric to confirm you are meeting the assignment requirements.

#### **Option #1: Managing the Business Risk of Fraud: A Practical Guide**

Visit the AICPA website. Research and review *Managing the Business Risk of Fraud: A Practical Guide* (linked in the Module 2 assignments folder). Page 6 of the guide describes the *5 Principles* for any type of organization to proactively establish an internal environment to effectively manage an organization's fraud risks.

Research "**managing fraud risk**" in the CSU-Global Library. Using at least three articles and/or journals identified in your research, write a minimum three-page essay in Word (excluding the cover page and the reference page) explaining how an organization can apply effectively **each** of the *5 Principles* to manage its fraud risks. Also include, under each of the *5 Principles*, how a forensic accountant engaged by the organization would go about assessing whether the organization has effectively applied measures to manage each fraud risk.

**You should copy and paste in bold type each of the 5 Principles as part of your submission.**

Your paper should be at least four pages in length (excluding a cover page and a reference page and excluding the required exhibits or appendices showing the recast financial statements) and formatted according to the CSU-Global Guide to Writing & APA. Submissions in excess of four pages are acceptable. Be sure to discuss and reference concepts taken from the assigned module readings and relevant research. You must include a minimum of three credible, academic or professional references supporting your submission and work. Review the grading rubric to see how you will be graded for this assignment.

### **Option #2:**

Visit the AICPA website. Research and review *Characteristics and Skills of the Forensic Accountant* (linked in the Module 2 assignments folder). Based on the information contained in the document, elaborate on **the top five characteristics or skills identified by attorneys** for forensic accountants and compare them to the top five characteristics or skills required of or identified by CPAs working in the accounting profession in general.

This assignment has two deliverables.

First, write a minimum one-page memo that includes the following:

1. Identify the characteristics or skills identified by attorneys and rank them in priority order.
2. Discuss the specific nature of each characteristic or skill in some level of detail.
3. Discuss the differences in the rankings between attorneys and CPAs and why these differences are both important and relevant to the needs of each group.

**You should copy and paste each of the requirements in bold type into your submission to ensure that you answer each of the assignment requirements. Submissions in excess of one- age are acceptable.**

In addition to submitting your memo, research **“attorney-client privilege and the forensic accountant”** in the CSU-Global Library. Using at least three articles and/or journals that you identify in your research, write a minimum three-page essay in Word (excluding the cover page and the reference page) theorizing how privilege can be extended to a consulting forensic accountant, as well as his or her work product.

Your essay should be at least three pages in length (excluding a cover page and a reference page and excluding the required exhibits or appendices showing the recast financial statements) and formatted according to the CSU-Global Guide to Writing & APA. Submissions in excess of three pages are acceptable. Be sure to discuss and reference concepts taken from the assigned module readings and relevant research. You must include a minimum of three credible, academic or professional references supporting your submission and work. Review the grading rubric to see how you will be graded for this assignment.

## **Module 3**

### **Readings**

- Chapters 8 & 9 in *Forensic and Investigative Accounting*

### **Discussion (25 points)**

### **Critical Thinking (75 points)**

Choose one of the following two assignments to complete this week. Do *not* complete both assignments. Identify your assignment choice in the title of your submission. Note that while there are two options for the Critical Thinking Assignment, there is only one rubric. Review the rubric to confirm you are meeting the assignment requirements.

### **Option #1: Litigation Services Provided by Accountants: A Comprehensive Problem**

Go to Chapter 8, pp. 8-40 through 8-44 in your course textbook, where you will find a Comprehensive Problem addressing the Learning Objectives described in Chapter 8, *Litigation Services Provided by Accountants*.

Here, you will find an example of an expert witness in an article titled: *You Got the Litigation Engagement: So Now What?*

Prepare a list of mistakes that the expert made in his expert witnessing engagement. First, summarize each mistake in bold type, and then discuss how the expert could have avoided each mistake.

*Hint: Anderson made more than 20 mistakes during this engagement. You should be able to recognize at least 10 of them.*

Your submission should be a minimum of four pages in length, excluding a separate cover page and reference page. Longer submissions are permissible. Your submission should be formatted according to the CSU-Global Guide to Writing & APA. Be sure to discuss and reference concepts taken from the assigned readings and relevant research. You must include a minimum of three credible, academic or professional references beyond the text or the other required and recommended module reading materials. Review the grading rubric to see how you will be graded for this assignment.

### **Option #2: Proper Evidence Management**

Address each of the following items specifically in your Word document submission by copying and pasting each item in bold type.

1. Define and explain attorney-client privilege.
2. Discuss accountant-client privilege and explain in which circumstances this privilege is honored.
3. Explain Benford's law and in what types of situations this technique is used.
4. Evaluate how computer evidence must be handled to be admissible in court. Be specific.
5. Analyze the validity of this statement: *"Each state has a licensing board for forensic document examiners."*
6. Explain how forensic accountants can use the so-called COFEE device. Be specific.

Your submission should be a minimum of four pages in length, excluding a separate cover page and reference page. Longer submissions are permissible. Your submission should be formatted according to the CSU-Global Guide to Writing & APA. Be sure to discuss and reference concepts taken from the assigned readings and relevant research. You must include a minimum of three credible, academic or professional references beyond the text or the other required and recommended module reading materials. Review the grading rubric to see how you will be graded for this assignment.

### **Live Classroom (0 points)**

#### **Module 4**

##### **Readings**

- Chapter 11 in *Forensic and Investigative Accounting*

##### **Discussion (25 points)**

##### **Critical Thinking (75 points)**

Choose one of the following two assignments to complete this week. Do *not* complete both assignments. Identify your assignment choice in the title of your submission. Note that while there are two options for the Critical Thinking Assignment, there is only one rubric. Review the rubric to confirm you are meeting the assignment requirements.

### **Option #1: The Montana Movie Theatre Company Case Study**

The Montana Movie Theatre Company (Montana) operates movie theatres in 15 different towns throughout western Montana, including in Missoula, a city of 60,000 people with a major state university. In Missoula, Montana owns and operates five movie theatres with a total of 38 screens. Montana operates the only theatre in Missoula and the theatres within a 30-mile radius around Missoula. Montana charges \$6 for matinee movie times and \$8.50 for evening movies. These prices are about 10% higher than the prices charged around most of the rest of the state. There are no discount ticket prices of any type for senior citizens, students, or any other group. Most movie theatres around the rest of the state offer some, if not all, special individual or group discounts.

Several other movie theatre companies have sought to build movie theatres in Missoula over the last 10 years. Each of these efforts has failed. In addition, Montana has actively lobbied city authorities to keep out any other movie theatre companies.

- a. What are the business and the associated legal issues with Montana's operations?
- b. Is there a possible case of monopoly here under federal law? Why or why not?
- c. During discovery in a lawsuit situation, what, if any, accounting records should you request if you were engaged by the lawyer for Montana to defend Montana in a monopoly-related lawsuit? If you were engaged by a competitor of Montana to sue Montana in a monopoly-related lawsuit?
- d. What other information would you need as a forensic accountant involved in this type of situation defending Montana in a monopoly-related lawsuit? Suing Montana in a monopoly-related lawsuit?
- e. What are the services that a forensic accountant, as an expert witness, might be asked to provide in a dispute involving the above scenario defending Montana? Or suing Montana?

Your submission should be a minimum of four pages in length, excluding a separate cover page and reference page. Longer submissions are permissible. Your submission should be formatted according to the CSU-Global Guide to Writing & APA. Be sure to discuss and reference concepts taken from the assigned readings and relevant research. You must include a minimum of three credible, academic or professional references beyond the text or the other required and recommended module reading materials. Review the grading rubric to see how you will be graded for this assignment.

### **Option #2: Whistleblower-Related Forensic Accounting Case Study**

A whistleblower alleged in a qui tam suit alleged that her former employer fired her because she told the company that it was "padding the bills" to the federal government for the cost-plus contract it had to build special ejection seats for fighter aircraft. She alleges that the company overcharged for materials, ran up labor costs, included "all kinds of stuff" in overhead costs, and illegally plugged corporate administrative costs into the contract billings.

You have been hired by the federal government to be the forensic accountant to assist in litigating this case. Answer the following questions:

- a. Which documents will you seek during the discovery phase of your investigation to address the whistleblower's allegations? Be specific.
- b. What specifically will be looking for in/on each of the documents you will request in your answer to item "a"?
- c. What will be the basis/foundation for the opinions you will provide to the federal government in this case?

- d. How will you use the whistleblower in pursuing your opinions and developing and gathering your evidence in this case for the federal government?

Your submission should be a minimum of four pages in length, excluding a separate cover page and reference page. Longer submissions are permissible. Your submission should be formatted according to the CSU-Global Guide to Writing & APA. Be sure to discuss and reference concepts taken from the assigned readings and relevant research. You must include a minimum of three credible, academic or professional references beyond the text or the other required and recommended module reading materials. Review the grading rubric to see how you will be graded for this assignment.

### **Portfolio Project Milestone (75 points)**

Choose one of the following two Portfolio Milestones to complete this week. Do *not* complete both assignments. Identify your assignment choice in the title of your submission. Note that while there are two options for the milestone, there is only one rubric. Review the rubric to confirm you are meeting the assignment requirements.

#### **Milestone: Portfolio Project Option #1**

This week, submit an outline of your Portfolio Project to your instructor. This submission should include the complete outline of your project. You will include the financial statements analyses you have or will compute, why the financial analyses are important in your investigation, evidence you will collect in the course of the investigation and how you plan to collect the evidence, and which positions in the organization you will interview.

This assignment is required and is worth 75 points. Your submission must be made by Sunday night at the end of this module. Late submissions will earn zero points. Format your submission according to the CSU-Global Guide to Writing & APA.

#### **Milestone: Portfolio Project Option #2**

This week, submit an outline of your Portfolio Project to your instructor. This submission should contain outline on each item you will include in the report. The items you need to include are in Module 8, under Portfolio Project: Option 2.

This assignment is required and is worth 75 points. Your submission must be made by Sunday night at the end of this module. Late submissions will earn zero points. Format your submission according to the CSU-Global Guide to Writing & APA.

## **Module 5**

### **Readings**

- Chapter 10 in *Forensic and Investigative Accounting*

### **Discussion (25 points)**

#### **Critical Thinking: Title (75 points)**

Choose one of the following two assignments to complete this week. Do *not* complete both assignments. Identify your assignment choice in the title of your submission. Note that while there are two options for the Critical Thinking Assignment, there is only one rubric. Review the rubric to confirm you are meeting the assignment requirements.

#### **Option #1: Acme-Aviation Case Study**

In your course textbook, read Exercise 24, *Acme-Aviation (AA)* in Chapter 10, p. 10-30.

#### Requirements:

- a. You are the expert who has been hired by Fast Deliveries to develop a damages estimate that you will defend in a deposition and at trial, if necessary. Using the information provided, prepare a preliminary damages estimate and explain the basis for your opinion on each item. Identify any questions or information you would to see or analyze to support your damages estimate.
- b. You are an expert who has been hired by Acme Aviation to develop a damages estimate that you will defend in a deposition and at trial, if necessary. Using the information provided, prepare a preliminary damages estimate and explain the basis for your opinion on each item. Identify any questions or information you would to see or analyze to support your damages estimate.

Your submission should be a minimum of four pages in length, excluding a separate cover page and reference page. Longer submissions are permissible. Your submission should be formatted according to the CSU-Global Guide to Writing & APA. Be sure to discuss and reference concepts taken from the assigned readings and relevant research. You must include a minimum of three credible, academic or professional references beyond the text or the other required and recommended module reading materials. Review the grading rubric to see how you will be graded for this assignment.

#### **Option #2: The Fernald Corporation Case Study**

In your course textbook, read Exercise 25, *The Fernald Corporation* in Chapter 10, p. 10-31.

#### Requirements:

- a. For each component of the damages estimate, indicate what documents, accounting records, or other information you would need to review to evaluate the validity and the amount of the item. Please be specific.
- b. Based on the limited case information you currently possess, do any of the damages estimate components appear to be reasonable? Why or why not?
- c. What kinds of analysis do you plan to do to evaluate each of the components of the damages estimate? Again, be specific in your response.

Your submission should be a minimum of four pages in length, excluding a separate cover page and reference page. Longer submissions are permissible. Your submission should be formatted according to the CSU-Global Guide to Writing & APA. Be sure to discuss and reference concepts taken from the assigned readings and relevant research. You must include a minimum of three credible, academic or professional references beyond the text or the other required and recommended module reading materials. Review the grading rubric to see how you will be graded for this assignment.

### Module 6

#### Readings

- Chapters 13 & 14 in *Forensic and Investigative Accounting*

#### Discussion (25 points)

#### **CRITICAL THINKING ASSIGNMENT (75 points)**

Choose one of the following two assignments to complete this week. Do *not* complete both assignments. Identify your assignment choice in the title of your submission. Note that while there are

two options for the Critical Thinking Assignment, there is only one rubric. Review the rubric to confirm you are meeting the assignment requirements.

### **Option #1: Zipf's Law**

Download Wolfram's CDF Player from the Wolfram website.

Then, search the Wolfram's application projects for *Zipf's Law Applied to Word and Letter Frequencies*. (The demonstration is an application of Zipf's Law to word frequency counts.)

Select *JFK's Inaugural Speech*.

- a. How many times does the word "the" appear in the speech? Make a digital copy of the screen display to turn in with your solutions (*Note: This digital copy does not count toward the minimum page requirement for the assignment.*)
- b. What is the Zipf sequence between the most common word and the next three?
- c. Describe one way Zipf's Law could be applied to uncover fraudulent documents. Be specific.
- d. Summarize what you learned from performing this assignment. Can you think of a place or a functional or transaction-related accounting or business subject area (such as in a past, current or future job) where you could use this application?? Be specific.

Your submission should be a minimum of three pages in length, excluding a separate cover page and reference page. Longer submissions are permissible. Your submission should be formatted according to the CSU-Global Guide to Writing & APA. Be sure to discuss and reference concepts taken from the assigned readings and relevant research. You must include a minimum of three credible, academic or professional references beyond the text or the other required and recommended module reading materials. Review the grading rubric to see how you will be graded for this assignment.

### **Option #2: Identifying Anomalies in your Computer**

For help with this exercise, watch the following video.

Video: How to Use the Windows Event Viewer

Link: <https://youtu.be/J6vUOyxmU1o>

Use the Event Viewer feature on your personal computer to analyze the logs on your computer. In your logs, find five events that are anomalies, including any errors or warnings. The anomaly can come from—or be related to—applications, security, setup, system, or forwarded event logs.

Once you find the anomalies:

- a. Copy the screen display into your Word document of at least five different anomalies.
- b. Search the internet and find an explanation for at least of the five anomalies that you found in the Event Viewer "Detail" box. Include in your submission, in your own words, an explanation for the anomalies. Also, discuss whether you should personally be concerned about the results of each anomaly found. Why or why not?

Your submission should be a minimum of three pages in length, excluding a separate cover page and reference page. Longer submissions are permissible. Your submission should be formatted according to the CSU-Global Guide to Writing & APA. Be sure to discuss and reference concepts taken from the

assigned readings and relevant research. You must include a minimum of three credible, academic or professional references beyond the text or the other required and recommended module reading materials. Review the grading rubric to see how you will be graded for this assignment.

### Live Classroom (0 points)

## Module 7

### Readings

- Chapters 15 & 16 in *Forensic and Investigative Accounting*

### Discussion (25 points)

## Module 8

### Readings

- Chapter 12 in *Forensic and Investigative Accounting*.

### Discussion (25 points)

### Portfolio Project (275 points)

Choose one of the following two Portfolio Projects to complete. Do not do both assignments. Identify your assignment choice in the title of your submission. Review the Portfolio Project grading rubric to understand how you'll be graded on your project. Note that both assignment choices require a Portfolio Project Milestone that must be submitted by the end of Week 4.

#### **Option #1: Securities Fraud investigation**

Linked in the Module 8 Portfolio Project folder is an Excel spreadsheet containing the financial statements of **Cloudy Company, Inc.**, a publicly traded company. The financial statements are adapted from a company that was involved in securities fraud. The alleged perpetrator of the fraud was the founder/Chief Executive Officer (CEO) of the company.

Leading up to the fraud allegation, the company had been in existence for a few years. Hence, the attached financial statements include: income statements for years ended 4, 5, and 6; balance sheets for years 5 and 6; and a statement of cash flows for year ended 6.

You've been hired as the forensic accountant to investigate whether or not fraud has occurred, and if so, the extent of the fraud. Use the financial statements and information provided in the instructions below to create a detailed fraud investigation report by responding to the following questions/topics:

1. Compute and interpret the common-size analysis for the income statement and balance sheet for each year provided.
2. Compute and interpret the trend analysis for the income statement and balance sheet for each year provided.
  1. Compute the cash flows analysis; that is, indicate the major uses and sources of cash, and the relationship of net income to accruals.
  2. What are some of the possible questions raised by the cash flows analysis?
  3. Which items on the cash flows analysis would you investigate further and why?
3. Compute and interpret the ratios analyses for years 4, 5, and 6 for the income statements; for years 5 and 6 for the balance sheets; and for year 6 for the statement of cash flows. The ratios must include at least the following:

1. Liquidity (current and net working capital)
2. Profitability (gross margin, return on sales, return on assets, and return on equity)
3. Efficiency (total assets turnover, accounts receivable turnover, and accounts receivable days)
4. Leverage (debt to assets, equity to assets, debt to equity, and equity multiplier)
4. What do the above analyses indicate about the relationships between the income statements and balance sheets?
5. Based on your understanding of the financial data, which areas of each financial statement need further attention? Be sure to provide rationale and support for your assertions.
6. CPA firms audited the attached financial statements; a local CPA firm audited years 4 and 5, while an out-of-state CPA firm audited year 6. Although year 7 statements were not provided to you, one of the big CPA firms reviewed the interim financial statements for year 7. Discuss the following about the audits and reviews:
  1. The nature of assurances on the financial statements.
  2. Accounting principles and concepts violated by Cloudy Company.
  3. The context of the financial statements presentation. Who were the primary users of the financial statements?

In addition to the financial statements provided, indicate what other evidence you will use in the course of your investigation. In addition to the CEO, who is the primary suspect, which organizational positions will you interview and in what order you will conduct the interviews? Examples of such positions or representatives include the accountant, Chief Financial Officer (CFO), clerks, and secretary.

Your 8- to 10-page report must be accurate, clear, and detailed. You must include a summary of your findings and support the summary with answers to the above questions. You must cite at least six credible sources to support your points. Your sources may be from the course readings or from the CSU-Global Library. Your paper must be formatted in accordance with the CSU-Global Guide to Writing & APA.

### **Option #2: Cash Shortage Investigation**

Read the Portfolio Project Option #2 **Fact Pattern Sheet** linked in the Module 8 Portfolio Project folder. Imagine that you have been called in as a fraud investigator to examine why the cash shortages described have been occurring. You also must identify who is committing the fraud, and you must accumulate evidence to obtain a conviction against the individual(s) involved.

Prepare a memorandum that addresses the following items in detail:

1. What is the type of fraud being investigated? Explain the rationale.
2. Who are the possible perpetrator(s) of the cash shortages? Explain.
3. Based on the facts presented, identify possible deficiencies within the internal control system of ABC. Assuming this was a publicly held company, what are some of the possible violations of the Sarbanes-Oxley Act? List all sections of the Act that have potentially been violated and present evidence to support your position. How can the deficiencies of the internal control system be mitigated?
4. Identify any conflicts of interest within this case and analyze possible outcomes that may occur.
5. What are some of the motivating factors and criminal opportunities that would cause this crime to occur?
6. What patterns of behavior point towards a certain individual(s) being the perpetrator(s) of the cash shortages?

7. For investigative purposes, what evidence needs to be procured to substantiate a conviction for the individual(s) involved? List all documents needed and indicate which items will require a subpoena or search warrant, assuming that you are a fraud investigator from a state agency authorized to conduct such investigations.
8. After obtaining and reviewing the evidence, do you feel that you are ready to interview the perpetrator(s)? What is your recommended approach to such an interview(s)? What questions (minimum of ten would you most likely ask?
9. Present your findings in this investigation stating:
  1. The name(s) of the accused.
  2. Evidence that links the person(s) to the crime.
  3. Charges recommended to the prosecutor.

Your report should be 8- to 10 pages in length, and you should include a section that addresses each item separately and in chronological order. Your report must be supported by at least six credible sources. Your sources may be from the course readings or from the CSU-Global Library. Your paper must be formatted in accordance with the CSU-Global Guide to Writing & APA.

---

## COURSE POLICIES

---

Grading Scale	
A	95.0 – 100

A-	90.0 – 94.9
B+	86.7 – 89.9
B	83.3 – 86.6
B-	80.0 – 83.2
C+	75.0 – 79.9
C	70.0 – 74.9
D	60.0 – 69.9
F	59.9 or below

### Course Grading

20% Discussion Participation  
45% Critical Thinking Assignments  
35% Portfolio Project & Milestone  
0% Live Classroom Sessions

SAMPLE

---

## IN-CLASSROOM POLICIES

---

For information on late work and incomplete grade policies, please refer to our [In-Classroom Student Policies and Guidelines](#) or the Academic Catalog for comprehensive documentation of CSU-Global institutional policies.

### Academic Integrity

Students must assume responsibility for maintaining honesty in all work submitted for credit and in any other work designated by the instructor of the course. Academic dishonesty includes cheating, fabrication, facilitating academic dishonesty, plagiarism, reusing /re-purposing your own work (see CSU-Global Guide to Writing & APA for percentage of repurposed work that can be used in an assignment), unauthorized possession of academic materials, and unauthorized collaboration. The CSU-Global Library provides information on how students can avoid plagiarism by understanding what it is and how to use the Library and Internet resources.

### Citing Sources with APA Style

All students are expected to follow the CSU-Global Guide to Writing & APA when citing in APA (based on the APA Style Manual, 6th edition) for all assignments. For details on CSU-Global APA style, please review the APA resources within the CSU-Global Library under the “APA Guide & Resources” link. A link to this document should also be provided within most assignment descriptions in your course.

### Disability Services Statement

CSU-Global is committed to providing reasonable accommodations for all persons with disabilities. Any student with a documented disability requesting academic accommodations should contact the Disability Resource Coordinator at 720-279-0650 and/or email [ada@CSUGlobal.edu](mailto:ada@CSUGlobal.edu) for additional information to coordinate reasonable accommodations for students with documented disabilities.

### Netiquette

Respect the diversity of opinions among the instructor and classmates and engage with them in a courteous, respectful, and professional manner. All posts and classroom communication must be conducted in accordance with the student code of conduct. Think before you push the Send button. Did you say just what you meant? How will the person on the other end read the words?

Maintain an environment free of harassment, stalking, threats, abuse, insults or humiliation toward the instructor and classmates. This includes, but is not limited to, demeaning written or oral comments of an ethnic, religious, age, disability, sexist (or sexual orientation), or racist nature; and the unwanted sexual advances or intimidations by email, or on discussion boards and other postings within or connected to the online classroom. If you have concerns about something that has been said, please let your instructor know.