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# Forensic Accounting and Fraud Examination

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# PREFACE

The authors of this text had the good fortune to be brought together through the National Institute Justice's project to develop a model curriculum for the nation in fraud and forensic accounting. L. Riley was one of the co-chairs and Professor Kranacher and Joseph Wells were members of the project's Planning Panel. The outcome of the activity was a model curriculum authored by 46 nationally recognized experts, published as the NIJ Research Report, "Education and Training in Fraud and Forensic Accounting: A Guide for Educational Institutions, Stakeholder Organizations, Faculty, and Students," available through the National Criminal Justice Resource System (<http://www.ncjrs.gov/pdffiles1/nij/grants/217589.pdf>). The document has been well-received by the academic community as demonstrated by the November 2008 edition of *Issues in Accounting Education* which devoted the entire November publication to an in-depth examination of the model curriculum and its adoption by academic institutions.

Upon completion of the NIJ curriculum project, the authors realized that while several excellent textbooks were available in fraud examination or forensic accounting, none adequately explored all of the topical areas addressed by the model curriculum. Consequently, we decided to embark on a project to examine in detail the areas addressed by the model curriculum.

The result is this text: *Forensic Accounting and Fraud Examination*.

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## IMPORTANT FEATURES

In addition to its grounding in the model educational curriculum, a number of additional features make this book unique:

- The authors maintain the devotion to Joseph Wells' *Fraud Examination* text and the work of the Association of Certified Fraud Examiners to focus not on the accounting numbers but on the individuals and activities behind fraud and civil litigation disputes. People and their choices are at the heart of fraud examination and financial forensic engagements. The book starts, as many others, with a review of the work of Sutherland, Cressey, Hollinger and Clark, and W. Steve Albrecht, but ventures beyond those seminal ideas.
- Some of the concepts examined include:
  - Motivations for nefarious activities beyond money such as ego, ideology, and coercion
  - The modus operandi of predators—individuals who deliberately commit wrongful acts
  - The impact of collusion and management override on preventive and deterrent activities
  - Consideration of ethical decision making
- "The Fraudster's Perspective:" Interviews, thoughts, and contributions by the former CFO of the "Crazy Eddie" fraud, Sam Antar.
- The text embraces contributions by the greater forensic communities including accounting, law, psychology, sociology, criminology, intelligence, information systems, computer forensics, and other forensic science fields.
- The text provides a detailed examination of the investigative process as well as an extensive array of tools and techniques used to investigate fraud and financial forensic issues.

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## CONTENT

The book has 5 main sections:

I. Introduction to Fraud Examination and Financial Forensics (Ch 1–2)

II. Criminology, Ethics, and the Legal, Regulatory, and Professional Environments (Ch 3–6)

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# CONTENTS

FOREWORD xiii

NOTE TO STUDENTS xv

PREFACE xvi

ABOUT THE AUTHORS xviii

## SECTION I

### INTRODUCTION TO FRAUD EXAMINATION AND FINANCIAL FORENSICS

#### CHAPTER 1 CORE FOUNDATION RELATED TO FRAUD EXAMINATION AND FINANCIAL FORENSICS 2

Learning Objectives	2
What Is Fraud?	2
Legal Elements of Fraud	2
Major Categories of Fraud	4
Common Fraud Schemes	5
What Is the Difference between Fraud and Abuse?	6
What Is Financial Forensics?	8
The Financial Forensic Professional's Skill Set	9
The Role of Auditing, Fraud Examination, and Financial Forensics	9
The Basics of Fraud	10
Who Commits Fraud and Why	12
The Fraud Triangle: Opportunity, Perceived Pressure, and Rationalization	12
M.I.C.E.	13
The Cost of Fraud and Other Litigation	14
ACFE 2008 Report to the Nation on Occupational Fraud and Abuse	14
Non-Fraud Forensic and Litigation Advisory Engagements	23
The Investigation	23
The Mindset: Critical Thinking and Professional Skepticism	23
Fraud Risk Factors and "Red Flags"	24
Evidence-Based Decision Making	25
The Problem of Intent: Investigations Centered on the Elements of Fraud	25
The Analysis of Competing Hypotheses (The Hypothesis-Evidence Matrix)	26
Methodologies Used in Fraud and Financial Forensic Engagements	28
The Importance of Nonfinancial Data	30
Graphical Tools	31
The Importance of the Story Line: Who, What, Where, When, How, and Why	31
Teamwork and Leadership	32
Fraud Examination Methodology	32

Predication	32
Fraud Prevention and Deterrence	33
Fraud Detection and Investigation	33
Remediation: Criminal and Civil Litigation and Internal Controls	33
Review Questions	33
Endnotes	33

#### CHAPTER 2 CAREERS IN FRAUD EXAMINATION AND FINANCIAL FORENSICS 35

Learning Objectives	35
Background	35
Places Where Fraud Examiners and Financial Forensic Specialists Work	36
Professional Services Firms	36
Public and Private Companies	36
Regulatory Agencies	37
Government and Nonprofits	37
Law Enforcement Agencies	38
Law Firms	39
Related Professions	39
Law	39
Psychology	39
Sociology	40
Criminology	40
Intelligence	40
Information Systems and Computer Forensics	40
Other Forensic Science Fields	42
Business Administration, Management, and Corporate Governance	42
Boards of Directors	45
Audit Committees	45
Senior/Executive Management	46
Internal Audit	46
External (Independent) Audit	46
Regulators and Governing Bodies	46
Professional Organizations and their Related Certifications	47
Association of Certified Fraud Examiners (ACFE)	47
American Institute of Certified Public Accountants (AICPA)	47
Forensic CPA Society (FCPAS)	49
Information Systems Audit and Control Association (ISACA)	49
Institute of Internal Auditors (IIA)	49
National Association of Certified Valuation Analysts (NACVA)	50
Society of Financial Examiners (SOFE)	50
International Fraud Examination and Financial Forensics	51
Education: Building Knowledge, Skills, and Abilities in Fraud Examination and Financial Forensics	51

Prerequisite Knowledge and Skills	52
Exposure Material/Course	53
In-Depth Course Material	54
The Role of Research in a Profession	54
The Institute for Fraud Prevention (IFP)	54
Where Are the Knowledge Frontiers?	55
Review Questions	55
Endnotes	56

## SECTION II

### *CRIMINOLOGY, ETHICS, AND THE LEGAL, REGULATORY, AND PROFESSIONAL ENVIRONMENTS*

#### **CHAPTER 3 WHO COMMITS FRAUD AND WHY: CRIMINOLOGY AND ETHICS 58**

Learning Objectives	58
Criminology	59
Occupational Fraud and Abuse	60
White-Collar Crime	60
Organizational Crime	60
Organized Crime	61
Torts, Breach of Duty, and Civil Litigation	61
Research in Occupational Fraud and Abuse	62
Edwin H. Sutherland	62
Donald R. Cressey	62
Dr. Steve Albrecht	69
Richard C. Hollinger and John P. Clark	71
Ethics	76
Approaches to Ethical Problem Solving	77
Ethical Principles	77
Ethics, Trust, and Responsibility	78
Ethics in Practice	78
Ethics and Values as Drivers of Personal Behavior	78
Professional Conduct	79
Ethics at Client Entities: The Foundation for Fraud Prevention and Deterrence	80
Five-Step Approach to Fraud Prevention, Deterrence, and Detection	83
Review Questions	84
Endnotes	84

#### **CHAPTER 4 COMPLEX FRAUDS AND FINANCIAL CRIMES 86**

Learning Objectives	86
“Predators” versus the “Accidental Fraudster”	86
Collusion: Multiple Individuals, Organizations, and Jurisdictions	88
Legitimate Activities Mixed with Illegal Activities and the Need to Isolate Illegal Activities	88
Dismantling Organizations: Asset Forfeiture and Seizure	89
Schemes and Illegal Acts Associated with Complex Frauds and Financial Crimes	89
Organized Crime	89
Drug Trafficking	91
Terrorism Financing	92
Money Laundering	94

Racketeering Influence and Corrupt Organizations Act (RICO)	96
Conspiracy	97
USA Patriot Act	97
The Bank Secrecy Act	98
Mail Fraud	99
Wire Fraud	99
The U.S. Banking System	99
Moving Money Internationally	101
Other Complex Frauds and Financial Crimes	103
Tax Evasion and Fraud	103
Bankruptcy Fraud	106
Securities Fraud	108
Review Questions	109
Endnotes	110

#### **CHAPTER 5 CYBERCRIME: COMPUTER AND INTERNET FRAUD 111**

Learning Objectives	111
Overview of Cybercrime	112
The Role of the Computer in Cybercrime	114
Computer Fraud versus Computer Crime	115
Losses or Other Damages Related to Computer Crimes	116
International Aspects of Computer Crime	117
Frauds And Other Threats in the Digital World of Computers	118
Insider Threats	118
Computer Hacking	119
Computer Viruses	121
Hardware, Software, and Data Security	124
Internet Fraud	127
Electronic Commerce (E-Commerce)	128
Typical Internet Schemes	128
Combating Internet Fraud	131
Complex Frauds and Financial Crimes in Cyberspace	131
Money Laundering in Cyberspace	133
Reporting Cybercrime: Computer and Internet Crime	135
Review Questions	135
Endnotes	135

#### **CHAPTER 6 LEGAL, REGULATORY, AND PROFESSIONAL ENVIRONMENT 137**

Learning Objectives	137
Introduction	137
The Rights of Individuals	138
Interviews	139
Searches	140
Surveillance	141
Discharging a Suspected Wrongdoer from Employment	142
Privileges	142
Probable Cause	143
Rules of Evidence	145
Criminal Justice System	146
Civil Justice System	148
Complaints and Pre-trial Activity	148
Negotiated Settlements	149
Pre-trial Motions and the Civil Trial	150
Regulatory System	150

Basic Accounting Principles—A Survivor's Guide to Accounting	151
The AICPA and Statement on Auditing Standards No. 99	156
The Sarbanes–Oxley Act of 2002	158
Enhanced Financial Disclosure Requirements	165
Protections for Corporate Whistle-Blowers under Sarbanes–Oxley	166
Enhanced Penalties for White-Collar Crime	166
The Public Company Accounting Oversight Board (PCAOB)	167
Committee of Sponsoring Organizations' (COSO) Enterprise Risk Management Framework (ERM)	169
PCAOB's Auditing Standards Nos. 3 and 5	169
IIA Practice Advisories 1210.A2-1 and 1210.A2-2	170
The Role of Corporate Governance	172
Review Questions	172
Endnotes	172

### SECTION III

## DETECTION AND INVESTIGATIVE TOOLS AND TECHNIQUES

### CHAPTER 7 FRAUD DETECTION: RED FLAGS AND TARGETED RISK ASSESSMENT 174

Learning Objectives	174
Corporate Governance and Fraud	174
Management's Responsibility	174
The Role of the External Auditor	176
Boards of Directors and Audit Committees	179
Internal Auditors	180
Fraud Detection	181
Understanding the Business	182
The Internal Control Environment	183
The Use of Red Flags to Detect Fraud	184
Tips and Complaints	184
Behavioral Red Flags	185
Analytical Anomalies	186
Accounting Anomalies	187
Internal Control Irregularities and Weaknesses	189
The Power of Nonfinancial Numbers	191
Using Red Flags as a Basis for Further Investigation	192
Targeted Fraud Risk Assessment	192
Targeted Fraud Risk Assessment in a Digital Environment	197
Prevention and Deterrence in a Digital Environment	197
Digital Evidence	197
Detection and Investigation in a Digital Environment	200
Review Questions	200
Endnotes	201

### CHAPTER 8 DETECTION AND INVESTIGATIONS 202

Learning Objectives	202
Investigations: Who, What, Where, When, How, and Why	202
Predication	203

The Fraud Triangle: Opportunity, Perceived Pressure, and Rationalization	203
M.I.C.E.	205
The Problem of Intent: Investigations Centered on the Elements of Fraud	205
The Definition of Evidence	206
Evidence Sources of the Act, Concealment, and Conversion	207
Documents	207
Bank, Credit Card, and Investment Statements	208
Invigilation	209
Interviewing and Interrogation	210
Surveillance and Covert Operations	210
Confidential Sources and Informants	211
CTRs, SARs, and FinCen 8300	211
E-mail	212
Data Mining, Pattern Recognition, and Other Digital Tools	212
Other Physical Evidence	213
Evidence Sources Specific to Concealment	213
Altered Documents	214
General Ledger, Journal Entries, and Reconciling Items	215
Tax Returns	215
Evidence Sources Specific to Conversion	216
Locating Hidden Assets and Unknown Sources of Income	216
Concealed Offshore Financial Accounts, Transactions, and Loans	217
Indirect Methods of Income Reconstruction	217
Databases, Sources of Information, and Extra-organization Intelligence	225
Internet Searching	226
Relevance, Reliability, and Validity	227
Work Papers: The Organization of Evidence and Analysis	230
Review Questions	232
Endnotes	232

### CHAPTER 9 EFFECTIVE INTERVIEWING AND INTERROGATION 233

Learning Objectives	233
Introduction to Interviews and Interrogations	234
Interviews in Fraud Examinations	235
Interviews in Fraudulent Financial Statements and Tax Returns	235
Overview of the Interview and Interrogation Process	236
Preparation and Planning	236
General Approach to Conducting Interviews	237
Interviews of Witnesses	237
Three Stages of Interviewing: Introduction, Body, and Close	238
Two Stages of Interrogations: Introduction and Admission-Seeking	239
Five Types of Interview and Interrogation Questions	239
Introductory Questions	239
Informational Questions	241
Closing Questions	243
Assessment Questions	244
Admission-Seeking Questions	247
Judging Deception	255



## **X CONTENTS**

Physiology of Deception	255
Verbal Cues to Deception	256
Nonverbal Cues to Deception	257
Ability to Judge Deception	258
Joe Wells' Ten Commandments for Effective Interviews	259
Comprehensive Guidelines: Information Collected in Interviews	260
Review Questions	263
Endnotes	263

### **CHAPTER 10 USING INFORMATION TECHNOLOGY FOR FRAUD EXAMINATION AND FINANCIAL FORENSICS 264**

---

Learning Objectives	264
The Digital Environment	264
Overview of Information Technology Controls	264
IT Audits and Assurance Activities	266
Digital Evidence	266
Tools Used to Gather Digital Evidence	267
Recovering Deleted Files	268
Recovering Deleted E-mail	269
Restoring Data	269
Detection and Investigation in a Digital Environment	271
Data Extraction and Analysis Software Functions	272
Data Extraction and Analysis Software	275
Graphics and Graphics Software	285
The Association Matrix	285
Link Charts	286
Flow Diagrams	288
Timelines	289
Other Graphical Formats	289
Case Management Software	291
Review Questions	292
Endnotes	292

## **SECTION IV**

### **FRAUD SCHEMES**

---

#### **CHAPTER 11 CASH RECEIPT SCHEMES AND OTHER ASSET MISAPPROPRIATIONS 294**

---

Learning Objectives	294
Skimming Schemes	295
Sales Skimming	295
Receivables Skimming	301
Proactive Computer Audit Tests for Detecting Skimming	304
Cash Larceny Schemes	306
Larceny at the Point of Sale	307
Larceny of Receivables	309
Cash Larceny from the Deposit	310
Proactive Computer Audit Tests for Detecting Cash Larceny	312
Noncash Misappropriation Schemes	314
Misuse of Noncash Assets	314
Unconcealed Larceny Schemes	315
Asset Requisitions and Transfers	317
Purchasing and Receiving Schemes	318
False Shipments of Inventory and Other Assets	319

Other Schemes	320
Concealing Inventory Shrinkage	320
Altered Inventory Records	321
Fictitious Sales and Accounts Receivable	321
Write-Off Inventory and Other Assets	321
Physical Padding	322
Preventing and Detecting Noncash Thefts that Are Concealed by Fraudulent Support	322
Proactive Computer Audit Tests for Detecting Noncash Misappropriations	323
Review Questions	324

#### **CHAPTER 12 CASH DISBURSEMENT SCHEMES 325**

---

Learning Objectives	325
Billing Schemes	325
Shell Company Schemes	325
Billing Schemes Involving Nonaccomplice Vendors	331
Personal Purchases with Company Funds	333
Proactive Computer Audit Tests for Detecting Billing Schemes	337
Check Tampering Schemes	339
Forged Maker Schemes	339
Forged Endorsement Schemes	344
Altered Payee Schemes	347
Concealed Check Schemes	349
Authorized Maker Schemes	351
Concealing Check Tampering	353
Proactive Computer Audit Tests for Detecting Check Tampering Schemes	357
Payroll Schemes	358
Ghost Employees	359
Falsified Hours and Salary	362
Commission Schemes	365
Proactive Computer Audit Tests for Detecting Payroll Fraud	367
Expense Reimbursement Schemes	371
Mischaracterized Expense Reimbursements	371
Overstated Expense Reimbursements	373
Fictitious Expense Reimbursement Schemes	375
Multiple Reimbursement Schemes	377
Proactive Computer Audit Tests for Detecting Expense Reimbursement Schemes	378
Register Disbursement Schemes	378
False Refunds	378
False Voids	380
Concealing Register Disbursements	381
Preventing and Detecting Register Disbursement Schemes	382
Proactive Computer Audit Tests for Detecting Register Disbursement Schemes	382
Review Questions	383

#### **CHAPTER 13 CORRUPTION AND THE HUMAN FACTOR 384**

---

Learning Objectives	384
Corruption Schemes	386
Bribery	387
Illegal Gratuities	396
Economic Extortion	396

Conflicts of Interest	396
Proactive Computer Audit Tests for Detecting Corruption	401
The Human Factor	403
Greed	403
Wages in Kind	403
Unreasonable Expectations	404
Understanding Fraud Deterrence	404
Review Questions	407
Endnote	407

#### **CHAPTER 14 FINANCIAL STATEMENT FRAUD 408**

Learning Objectives	408
Accounting Principles and Fraud	408
Fraud in Financial Statements	408
Conceptual Framework for Financial Reporting	410
Responsibility for Financial Statements	414
Users of Financial Statements	414
Types of Financial Statements	415
Fraudulent Financial Statement Schemes	419
Defining Financial Statement Fraud	419
Costs of Financial Statement Fraud	420
Fictitious Revenues	421
Timing Differences	424
Concealed Liabilities and Expenses	428
Improper Disclosures	431
Improper Asset Valuation	434
Detection of Fraudulent Financial Statement Schemes	438
Deterrence of Financial Statement Fraud	442
Reduce Pressures to Commit Financial Statement Fraud	442
Reduce the Opportunity to Commit Financial Statement Fraud	443
Reduce Grounds for Rationalizing of Financial Statement Fraud	443
Review Questions	445
Endnotes	446

### **SECTION V**

#### **FINANCIAL LITIGATION ADVISORY SERVICES AND REMEDIATION**

##### **CHAPTER 15 CONSULTING, LITIGATION SUPPORT, AND EXPERT WITNESSES: DAMAGES, VALUATIONS, AND OTHER ENGAGEMENTS 448**

Learning Objectives	448
Consulting, Litigation Support, and Expert Witnesses	448
Professional Standards and Guidance	448
Engagement Issues and Professional Responsibility	449
Types of Consulting and Litigation Support Activities	450
Tools and Techniques: General Discussion	451
Commercial Damages	455
Legal Framework for Damages	456
Types of Commercial Damages	456
The Loss Period	457
Economic Framework for Damages	457

Quantifying Lost Revenues and Increased Expenses	460
Determining Lost Profits	461
Determining Incremental Costs	462
The Time Value of Money	464
Communicating and Defending the Results of Commercial Damage Estimates	465
Valuations	466
Overall Engagement Considerations	466
The Types of Valuation Engagements	467
Measures of Value	468
Determining Market, Fair Market, and Fair Value	468
Discounted Earnings and Cash Flows	469
Estimating the Risk-Adjusted Discount Rate	469
Forecasting Income and Cash Flows	470
Asset Valuation Models	472
Market and Accounting-Based Comparables Models	472
Valuation Discounts and Premiums	473
Other Ownership Interests Subject to Valuation	473
Conclusion of Value	473
The Valuation Report	473
Personal Injury, Wrongful Death, and Survival Actions	477
Losses: Personal Injury	477
Losses: Wrongful Death and Survival Cases	478
Analysis of Earnings Losses	478
Analysis of Lost Employment Benefits Associated with Lost Earnings	483
Analysis of Lost Nonmarket Services	485
Analysis of Medical and Life-Care Costs	486
Injured Children, Homemakers, and Retired Persons	486
Review Questions	487
Endnotes	487

##### **CHAPTER 16 REMEDIATION AND LITIGATION ADVISORY SERVICES 488**

Learning Objectives	488
Introduction to Remediation	488
Recovery of Money and Other Assets	489
Identification of Money and Assets for Recovery	489
Following versus Tracing the Money	490
Legal Methods for Recovery of Assets	491
Support for Criminal and Civil Court Actions	492
Fact Witnesses versus Expert Witnesses	493
Supporting the Investigation	494
Evaluation of the Evidence	496
Report Writing	496
Credibility	497
Deposition Testimony	499
Direct Examination	499
Cross-Examination	500
Restructure the Internal Control Environment	502
Overview of an Anti-Fraud Environment	502
Internal Control Policies and Procedures	503
Risk Assessment and Internal Control	503
The Importance of Corporate Governance	504
The Risk of Management Override	504
Early Reaction to Symptoms	505

## **xii CONTENTS**

AICPA Statement on Auditing Standard (SAS) No. 99, “Risk Factors Relating to Misstatements Arising from Fraudulent Financial Reporting”	<b>505</b>
AICPA Statement on Auditing Standard (SAS) No. 99, “Risk Factors Relating to Misstatements Arising from Misappropriation of Assets”	<b>507</b>
Lessons Learned	<b>509</b>
Review Questions	<b>510</b>
Endnotes	<b>510</b>

<b>APPENDIX A REFERENCES AND RESOURCES</b>	<b>511</b>
--	------------

<b>APPENDIX B FRAUD ACTS</b>	<b>515</b>
------------------------------	------------

<b>GLOSSARY</b>	<b>517</b>
-----------------	------------

<b>INDEX</b>	<b>523</b>
--------------	------------