

***SYLLABUS AND COURSE MATERIALS***

**ACCOUNTING 425  
FORENSIC ACCOUNTING**

**FALL 2019**

***SHIDLER COLLEGE OF BUSINESS  
UNIVERSITY OF HAWAII  
MANOA***

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**University of Hawaii at Manoa, Shidler College of Business**  
**Accounting 425: Forensic Accounting, Fall 2019**  
**Fridays (August 30 to September 27, 2019)**  
**6:00 p.m. to 8:45 p.m.**

**Instructor: Edwin Young**

Phone: 650-218-8676, [eswyoung@hawaii.edu](mailto:eswyoung@hawaii.edu)

**COURSE DESCRIPTION:** Theoretical and real life aspects of forensic accounting. Includes discussions of the legal environment, types of forensic engagements such as, lost earnings, business valuations, fraud, and real world forensic cases. The course builds skills in forensic accounting techniques, including gathering, interpreting, and documenting evidence to enable one to assist businesses in detecting, investigating, documenting, and preventing fraud. (A-F only. Pre: 418. Co-requisite: 407).

**Class text (Digital)**

- **2019 Fraud Examiners Manual, U.S. Edition**
- Enrolled students must sign up for student membership (@\$25) with the Association of Certified Fraud Examiners. ACFE student membership includes free one-year subscription to the online *2019 Fraud Examiners Manual, U.S. Edition* (PDF)

**Supplemental Textbooks:**

- Detecting Accounting Fraud, Analysis and Ethics, by Cecil W. Jackson, Chapters 1 and 9
- *Forensic Accounting*, by Rufus, Miller, Hahn, (@\$28 cost to students for digital book)
- Link to purchase the book: <https://console.pearsoned.com/enrollment/jpfd21>

**Individual Project:**

- Due September 20, 2019. Individual project: select one of the case studies listed. For the project, prepare an analysis of the case study and submit a write up using the following format. Be prepared to make a 10-15 minute presentation to the class.

<b>FORENSIC ACCOUNTING/FRAUD ANALYSIS</b>		
<b>Name of Case</b>		
<b>Fraud Category</b>		
<b>Symptoms of fraud (for the category)</b>		
<b>Summary of Case Study</b>		
<b>Indicators of Fraud Found</b>		
<b>Internal Controls Needed to Detect Fraud</b>		
<b>Internal Controls Needed to Prevent Fraud</b>		

<b>Forensic accounting actions.</b> As an accountant, discuss your scope, methodology, and the audit steps you would use to detect fraud.		
<b>Forensic accounting actions:</b> As an accountant, what internal controls and actions would you implement to prevent, deter, quantify, and correct fraud.		
<b>Other Comments</b>		
<b>Team Members (Names)</b>		

### Final Group Project

- Due October 25. E-mail project analysis to [eswyoung@hawaii.edu](mailto:eswyoung@hawaii.edu) or eswyoung@aol.com.
- Develop an audit program, scope and methodologies for conducting a forensic audit of the city's HART rail construction project.
- HART presentation by OCA Acting City Auditor.
- References:
  - [http://www.honolulu.gov/rep/site/oca/oca\\_docs/HART\\_Follow-Up\\_Final\\_Report.pdf](http://www.honolulu.gov/rep/site/oca/oca_docs/HART_Follow-Up_Final_Report.pdf)
  - [http://www.honolulu.gov/rep/site/oca/oca\\_docs/HART\\_Final\\_Report\\_compressed.pdf](http://www.honolulu.gov/rep/site/oca/oca_docs/HART_Final_Report_compressed.pdf)
  - [http://www.honolulu.gov/rep/site/oca/oca\\_docs/audit\\_of\\_HART\\_public\\_involvement\\_programs\\_final\\_report.pdf](http://www.honolulu.gov/rep/site/oca/oca_docs/audit_of_HART_public_involvement_programs_final_report.pdf)
  - <http://files.hawaii.gov/auditor/Reports/2019/2019HARTCompliance.pdf>
  - <http://files.hawaii.gov/auditor/Reports/2019/19-11.pdf>
  - <http://files.hawaii.gov/auditor/Reports/2019/19-04.pdf>
  - <http://files.hawaii.gov/auditor/Reports/2019/19-03.pdf>

### Grading Policy:

Individual project/presentation	30
Class participation/presentation	35
Final Group project	<u>35</u>
Total	100

Semester Grade	Percentage %
A	90-100
B	80-89
C	70-89
D	60-69
F	< 60

\* The instructor reserves the right to re-distribute the points as needed and/or adjust the semester grade upwards.

## **COURSE OBJECTIVES:**

### **1. Acquire basic knowledge for forensic accounting**

- a. Acquire basic knowledge about forensic accounting investigations.
- b. Explain forensic roles in investigation, dispute resolution, and litigation.

### **2. Conduct research by accessing information effectively and efficiently**

- a. Conduct a forensic investigation by gathering and documenting evidence.
- b. Assist in organized programs to detect and prevent fraud.

### **3. Think critically and problem solve creatively**

- a. Evaluate fraudulent schemes commonly encountered by the forensic accountant.
- b. Consider relevant professional ethical responsibilities of the forensic accountant.

### **4. Communicate and report effectively**

- a. Understand the typical format and formal writing style for writing forensic reports.
- b. Strengthen writing skills, for taking statements, and writing reports.

### **5. Encourage continuous learning with agility and adaptability**

- a. Strengthen skills for examining documents and interviewing.
- b. Develop abilities and habits to acquire fraud awareness and new knowledge.

Students are responsible for submitting the assignment when due. **No late assignments will be accepted** except for University allowed absence. It is highly recommended to submit the exercise, homework or deliverables as early as possible. The submitted assignment cannot be submitted after the deadline. No points will be given if the file is not readable or cannot be opened. Internet connection issues are not accepted as reasons for late submissions.

**Academic Integrity and Ethical Behavior:** Violations of academic integrity include, but are not limited to, cheating, fabrication, tampering, plagiarism, or facilitating such activities. Failure to meet this expectation will result in failure of the course and possible dismissal from the program. Plagiarism means using another's words, ideas, materials or work without properly acknowledging and documenting the source. Students are responsible for knowing the rules governing the use of another's work or materials and for acknowledging and documenting the source appropriately. All work that candidates ultimately submit in this course must be their own in their own words. If you are in doubt about whether your work is paraphrased or plagiarized, see the UH General and Graduate Information Catalog under "Student Regulations" and the UH Student Conduct Code ([http://studentaffairs.manoa.hawaii.edu/policies/conduct\\_code/](http://studentaffairs.manoa.hawaii.edu/policies/conduct_code/)) for specific guidelines related to ethical behavior.

**Statement on Disability—KOKUA PROGRAM:** The University of Hawai‘i at Mānoa is committed to a policy of non-discrimination and provides equal access to its programs, services, and activities to students with disabilities. If you have a disability and related access needs, please contact the KOKUA program (UH Disabled Student Services Office) at 956-7511, [kokua@hawaii.edu](mailto:kokua@hawaii.edu), or go to Room 013 in the Queen Lili‘uokalani Center for Student Services. I will work with you and KOKUA to meet your access needs based on disability documentation.

**Counseling Services:** If you are in need of assistance with personal, academic or career concerns, the University of Hawai‘i has services available through UHM Counseling & Student Development Center (CSDC) located at the Queen Lili‘uokalani Center for Student Services Room 312. Website: <http://manoa.hawaii.edu/counseling/> Phone: (808) 956-7927

**TITLE IX** The University of Hawaii is committed to providing a learning, working and living environment that promotes personal integrity, civility, and mutual respect and is free of all forms of sex discrimination and gender-based violence, including sexual assault, sexual harassment, gender-based harassment, domestic violence, dating violence, and stalking. If you or someone you know is experiencing any of these, the University has staff and resources on your campus to support and assist you. Staff can also direct you to resources that are in the community. If you wish to remain ANONYMOUS, speak with someone CONFIDENTIALLY, or would like to receive information and support in a CONFIDENTIAL setting, contact the confidential resources available here: <http://www.manoa.hawaii.edu/titleix/resources.html#confidential>

If you wish to REPORT an incident of sex discrimination or gender-based violence including sexual assault, sexual harassment, gender-based harassment, domestic violence, dating violence or stalking as well as receive information and support, contact: Dee Uwono Director and Title IX Coordinator 2500 Campus Road, Hawai‘i Hall 124 Honolulu, HI 96822 (808) 956-2299 [t9uhm@hawaii.edu](mailto:t9uhm@hawaii.edu)

As a member of the University faculty, I am required to immediately report any incident of sex discrimination or gender-based violence to the campus Title IX Coordinator. Although the Title IX Coordinator and I cannot guarantee confidentiality, you will still have options about how your case will be handled. My goal is to make sure you are aware of the range of options available to you and have access to the resources and support you need. For more information regarding sex discrimination and gender-based violence, the University’s Title IX resources and the University’s Policy, Interim EP 1.204, go to: <http://www.manoa.hawaii.edu/titleix/>

# What Is Fraud?

Fraud can encompass any crime for gain that uses deception as its principal *modus operandus*. More specifically, *fraud* is defined by *Black's Law Dictionary* as, "A knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment." Consequently, fraud includes any intentional or deliberate act to deprive another of property or money by guile, deception, or other unfair means.

## Types of Fraud

Fraud against a company can be committed either internally by employees, managers, officers, or owners of the company, or externally by customers, vendors, and other parties. Other schemes defraud individuals, rather than organizations.

### Internal Fraud

Internal fraud can be defined as: "the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the organization's resources or assets." Simply stated, this type of fraud occurs when an employee, manager, or executive commits fraud against his or her employer.

Although perpetrators are increasingly embracing technology and new approaches in the commitment and concealment of fraud schemes, the methodologies used in such frauds generally fall into time-tested categories. To identify and delineate the schemes, the ACFE developed the Occupational Fraud and Abuse Classification System, also known as the Fraud Tree (see below.)

### External Fraud

External fraud against a company covers a broad range of schemes. Dishonest vendors might engage in bid-rigging schemes, bill the company for goods or services not provided, or demand bribes from employees. Likewise, dishonest customers might submit bad checks or falsified account information for payment or might attempt to return stolen or knock-off products for a refund. In addition, organizations also face threats of security breaches and thefts of intellectual property perpetrated by unknown third parties. Other examples of frauds committed by external third-parties include hacking, theft of proprietary information, tax fraud, bankruptcy fraud, insurance fraud, healthcare fraud, and loan fraud.

### Fraud Against Individuals

Numerous fraudsters have also devised schemes to defraud individuals. Identity theft, Ponzi schemes, phishing schemes, and advanced-fee frauds are just a few of the ways criminals have found to steal money from unsuspecting victims.

### Why does Fraud Occur?

The best and most widely accepted model for explaining why people commit fraud is the fraud triangle. This is a model developed by Dr. Donald Cressey, a criminologist whose research focused on embezzlers—people he called "trust violators." The fraud triangle.



<sup>1</sup>Bryan Garner, ed., *Black's Law Dictionary*. 8th Ed. (2004), s.v., "fraud."

### Class schedule:

#### **August 30, 2019:**

- Introduction to the Course, Individual Projects, Final Group Project  
Reading for class: ACFE *2018 Report to the Nations* (overview of fraud environment and role of forensic accounting in detecting fraud) *2018 Report to the Nation* (ACFE)  
**Reading:** <https://www.acfe.com/report-to-the-nations/2018/>
- ACFE student membership enrollment.  
**Class text: 2019 Fraud Examiners Manual, U.S. Edition**  
<https://www.acfe.com/products.aspx?zid=2c92a00e6a07e354016a272c4ecf55df>  
Other texts, case studies list, accounting fraud references
- **Individual Project:** Due September 27. Students may be asked to make presentation.  
E-mail project analysis to [eswyoung@hawaii.edu](mailto:eswyoung@hawaii.edu) or [eswyoung@aol.com](mailto:eswyoung@aol.com)
- **Group Project:** Due October 25. E-mail project analysis to [eswyoung@hawaii.edu](mailto:eswyoung@hawaii.edu) or [eswyoung@aol.com](mailto:eswyoung@aol.com).  
Develop an audit program, scope and methodologies for conducting a forensic audit of the city's HART rail construction project.
- Guest speaker: **Mr. Troy Shimasaki**, Acting City Auditor, City and County of Honolulu  
HART presentation by OCA Acting City Auditor.  
References:
  - [http://www.honolulu.gov/rep/site/oca/oca\\_docs/HART\\_Follow-Up\\_Final\\_Report.pdf](http://www.honolulu.gov/rep/site/oca/oca_docs/HART_Follow-Up_Final_Report.pdf)
  - [http://www.honolulu.gov/rep/site/oca/oca\\_docs/HART\\_Final\\_Report\\_compressed.pdf](http://www.honolulu.gov/rep/site/oca/oca_docs/HART_Final_Report_compressed.pdf)
  - [http://www.honolulu.gov/rep/site/oca/oca\\_docs/audit\\_of\\_HART\\_public\\_involvement\\_programs\\_final\\_report.pdf](http://www.honolulu.gov/rep/site/oca/oca_docs/audit_of_HART_public_involvement_programs_final_report.pdf)
  - <http://files.hawaii.gov/auditor/Reports/2019/2019HARTCompliance.pdf>
  - <http://files.hawaii.gov/auditor/Reports/2019/19-11.pdf>
  - <http://files.hawaii.gov/auditor/Reports/2019/19-04.pdf>
  - <http://files.hawaii.gov/auditor/Reports/2019/19-03.pdf>

#### **September 6, 2019:**

- Financial Fraud: types of fraud, overview of fraud process, accountant roles and responsibilities; fraud case studies.
- **Reading: ACFE 2019 Fraud Examiner's Manual, Section 1** (See Class Syllabus and Topics)
- Guest speaker: **Mr. Tyler Kimura**, President Association of Certified Fraud Examiners (ACFE) Hawaii Chapter. Overview to accounting fraud; fraud cases; student membership enrollment in ACFE

#### **September 13, 2019:**

- Fraud Law, Individual Rights, Evidence Rules, Civil and Criminal Law (See Class Syllabus and Topics)
- **Reading: ACFE 2019 Fraud Examiner's Manual, Section 2** (See Class Syllabus and Topics)

#### **September 20, 2019:**

- Fraud Investigation, analyzing documents, interview techniques, source of information, tracing transactions, writing reports.
- **Reading: ACFE 2019 Fraud Examiner's Manual, Section 3** (See Class Syllabus and Topics)



- Guest Speaker: **Mr. Joseph Hildorfer**, former FBI Special Agent and retired EPA investigator. Author: “Cyanide Canary”.

**September 27, 2019:**

- Fraud Prevention and Deterrence: understanding criminal behavior; auditor and management responsibilities, ethics, professional standards, prevention programs, data analysis tools.
- **Reading: ACFE 2019 Fraud Examiner’s Manual, Section 4** (See Class Syllabus and Topics)
- Youtube video: data analytics demonstration  
<https://www.youtube.com/watch?v=1yo3GyvZi9Q> (The audit process)  
<https://www.youtube.com/watch?v=9hLaSNkFkNI> (meaning of Data Analytics)  
<https://www.youtube.com/watch?v=6qPZJfe5jXc> (Role of analytics in auditing)  
<https://www.youtube.com/watch?v=O1HZYjBAooc> (KPMG report – auditing is changing)  
<https://www.youtube.com/watch?v=ulcSfDdyQGc> (Audit technologies – AI and Data Analysis)  
<https://www.youtube.com/watch?v=AAyjbAJEwfM> (2023 Audit Technology)
- Individual project presentations

## **Class Syllabus and Topics**

### **Financial Statement Fraud**

- Asset Misappropriation – Cash Receipts, Fraudulent Disbursements, Inventory and Other Assets
- Bribery and Corruption
- Theft of Data and Intellectual Property
- Identity Theft
- Financial Institution Fraud
- Payment Fraud
- Insurance Fraud
- HealthCare Fraud
- Consumer Fraud
- Computer and Internet Fraud
- Contract and Procurement Fraud

### **Law**

- Law Concepts and Fraud law
- Bankruptcy Fraud
- Securities Fraud
- Money Laundering
- Tax Fraud
- Individual Rights
- Criminal Justice versus Civil Justice System
- Evidence Rules
- Testifying

### **Investigation**

- Conducting the Fraud Exam
- Analyzing Documents
- Interview Techniques
- Covert Exam
- Sources of Information
- Data Analysis and Tools
- Digital Forensics
- Tracing Transactions
- Writing the Report

### **Fraud Prevention and Deterrence**

- Understanding Criminal Behavior
- Corporate Governance
- Management Fraud Responsibilities
- Auditor Fraud Responsibilities
- Fraud Prevention Programs
- Fraud Risk Assessment
- Fraud Risk Management
- Ethics
- Professional Standards

## Case Studies

### The chief was a thief

What tears at the fabric of a small town? Theft, betrayal and a loss of confidence in the very institutions that make the town a great place to live. This is the story of how a small gap became a gaping hole in oversight, management and internal controls, which resulted in a theft of more than \$250,000.

1. [The link between corporate culture and fraud](#)
2. [Money-mule profiling can help solve, prevent crimes](#)
3. [Recognizing rationalization: Dismantle a subject's 'vocabulary of adjustment'](#)
4. [Boards' familiarity of 'bullybezzlers' allowed fraud](#)
5. [Beware toll-road, Facebook and donation scams](#)
6. [Prevent diversions to forbidden nations: Avoid export controls and sanctions violations](#)
7. [Using one fraud to hide another](#)
8. [The contempt of families: 'Sonny Boy' and his ghost employees](#)
9. [Trusted assistant steals \\$365,000 from not-for-profit](#)
10. [Where are these three infamous cases now?](#)
11. [Investigating and prosecuting Libor culprits](#)
12. [Tipping the balance: Never assume guilt or innocence](#)
13. [The Kickback Mine: What Seemed an Ordinary Case Became More Intriguing](#)
14. [Big Money, Acquisitions and Consequences](#)
15. [Comptroller, Horse Lady and Crook, Part 1 of 2](#)
16. [Avoiding Trouble in China: How to Stay on the Right Side of International Anti-Bribery Laws](#)
17. [Bid Rigging and Kickbacks under the Bridge](#)
18. [Trusting Assistants with Access: Embezzlement Investigation Case Study](#)
19. [Fraud in Collegiate Athletics: When Major League Money Meets Little League Controls](#)
20. Enron fraud: [https://en.wikipedia.org/wiki/Enron\\_scandal](https://en.wikipedia.org/wiki/Enron_scandal)
21. Worldcom fraud: <https://www.investopedia.com/terms/w/worldcom.asp>
22. Tyco fraud: [https://en.wikipedia.org/wiki/Tyco\\_International](https://en.wikipedia.org/wiki/Tyco_International)
23. Scott Rothstein fraud: [https://en.wikipedia.org/wiki/Scott\\_W.\\_Rothstein](https://en.wikipedia.org/wiki/Scott_W._Rothstein)
24. Allen Stanford fraud: [https://en.wikipedia.org/wiki/Allen\\_Stanford](https://en.wikipedia.org/wiki/Allen_Stanford)
25. Bernie Madoff Fraud: [https://en.wikipedia.org/wiki/Bernie\\_Madoff](https://en.wikipedia.org/wiki/Bernie_Madoff)
26. Pflueger: <http://www.hawaiireporter.com/james-pflueger-one-of-hawaiis-wealthiest-residents-on-trial-for-federal-tax-fraud-after-trying-to-hide-assets-in-switzerland/>
27. Al Hee and Sandwich Isles Communications: <http://www.hawaiifreepress.com/ArticlesMain/tabid/56/ID/21232/Criminal-Al-Hees-Scam-Company-Sandwich-Isles-Communications-Closing-All-Workers-Laid-Off.aspx>
28. MRI International fraud: <https://www.staradvertiser.com/2019/05/23/breaking-news/tokyo-vegas-investment-chief-gets-50-years-in-1-5b-ponzi-scheme/>
29. College admission fraud: [https://en.wikipedia.org/wiki/2019\\_college\\_admissions\\_bribery\\_scandal](https://en.wikipedia.org/wiki/2019_college_admissions_bribery_scandal)
30. Oahu Trash Company fraud: <https://www.hawaiinewsnow.com/story/34197536/bankrupt-trash-hauler-owes-city-nearly-3-million/>
31. Honolulu HUD employee fraud: <https://www.hudoig.gov/newsroom/news/former-hud-employee-accused-housing-fraud;>
32. Honolulu mortgage fraud: <https://www.hawaiinewsnow.com/story/16365329/2-honolulu-mortgage-brokers-found-guilty-of-fraud-money-laundering/>
33. Fyre Festival: <https://relevantmagazine.com/culture/explaining-the-scam-of-the-fyre-festival-and-how-the-locals-are-trying-to-recover/>
34. Fraud diamond: <https://www.journalofaccountancy.com/newsletters/2018/oct/lessons-learned-municipal-fraud-cases.html>
35. All the Queen's Horses: <https://www.allthequeenshorsesfilm.com/>

36. Tiffany Couch – A Thief in the Company: [www.redflagmania.com](http://www.redflagmania.com)

## References (<https://www.acfe.com/>)

1. [12 Steps to a New Career: What to Do When You Want to Make a Change Now!](#)
2. [2018 Fraud Examiners Manual, International Edition](#)
3. [2019 Fraud Examiners Manual, U.S. Edition](#)
4. [A Guide to Forensic Accounting Investigation, Second Edition](#)
5. [A Just Cause: A True Story of Courage, Hope and the Integrity of the American Dream](#)
6. [A.B.C.'s of Behavioral Forensics: Applying Psychology to Financial Fraud Prevention and Detection](#)
7. [Accounting Best Practices, Seventh Edition](#)
8. [Accounting Control Best Practices, Second Edition](#)
9. [Accounting Ethics, Second Edition](#)
10. [An Endless Stream of Lies: A Young Man's Voyage into Fraud](#)
11. [Anatomy of a Fraud Investigation: From Detection to Prosecution](#)
12. [Anti-Fraud Risk and Control Workbook](#)
13. [Bank Fraud: Using Technology to Combat Losses](#)
14. [Benford's Law: Applications for Forensic Accounting, Auditing and Fraud Detection](#)
15. [Break Through: A Leader's Greatest Lesson](#)
16. [Bribery and Corruption Casebook: The View from Under the Table](#)
17. [Bribery and Corruption: Navigating the Global Risks](#)
18. [Building A World-Class Compliance Program: Best Practices & Strategies for Success](#)
19. [Business Management Controls: A Guide](#)
20. [Called to Account: Fourteen Financial Frauds that Shaped the American Accounting Profession](#)
21. [Career Distinction: Stand Out by Building Your Brand](#)
22. [Computer Fraud Casebook: The Bytes that Bite](#)
23. [Computer-Aided Fraud Prevention & Detection: A Step-by-Step Guide](#)
24. [Confessions of a Hiring Manager 2.0, Second Edition](#)
25. [Contract and Procurement Fraud Investigation Guidebook](#)
26. [Corporate Crooks: How Rogue Executives Ripped Off Americans...and Congress Helped Them Do It!](#)
27. [Corporate Fraud and Internal Control: A Framework for Prevention](#)
28. [Corporate Fraud Handbook: Prevention and Detection, Fifth Edition](#)
29. [Corporate Management, Governance and Ethics Best Practices](#)
30. [Corporate Resiliency: Managing the Growing Risk of Fraud and Corruption](#)
31. [Criminal Financial Investigations: The Use of Forensic Accounting Techniques and Indirect Methods of Proof](#)
32. [Cyber Forensics](#)
33. [Cyber Fraud: Tactics, Techniques and Procedures](#)
34. [Data Analysis for Corporate Fraud Risk](#)
35. [Depositions: The Comprehensive Guide for Expert Witnesses](#)
36. [Detectando y Previniendo de Malversación de Bienes](#)
37. [Detecting Fraud in Organizations](#)
38. [Electronic Health Records: An Audit and Internal Control Guide](#)
39. [Encyclopedia of Fraud, Third Edition](#)
40. [Enterprise Risk Management Best Practices: From Assessment to Ongoing Compliance](#)
41. [Essentials of the Dodd-Frank Act](#)
42. [Executive Roadmap to Fraud Prevention and Internal Control](#)
43. [Exposure: Inside the Olympus Scandal: How I Went from CEO to Whistleblower](#)
44. [Extraordinary Circumstances: The Journey of a Corporate Whistleblower](#)
45. [Faces of Fraud: Cases and Lessons from a Life Fighting Fraudsters](#)
46. [Fair Value Accounting Fraud: New Global Risks and Detection Techniques](#)
47. [Financial Forensics Body of Knowledge](#)
48. [Financial Fraud Prevention and Detection: Governance and Effective Practices](#)
49. [Financial Investigation and Forensic Accounting, Third Edition](#)
50. [Financial Services Anti-Fraud Risk and Control Workbook](#)
51. [Financial Statement Fraud Casebook: Baking the Ledgers and Cooking the Books](#)
52. [Financial Statement Fraud: Prevention and Detection](#)
53. [Financial Statement Fraud: Strategies for Detection and Investigation](#)
54. [Foreign Corrupt Practices Act Compliance Guidebook: Protecting Your Organization from Bribery and Corruption](#)
55. [Foreign Corrupt Practices Act: A Practical Resource for Managers and Executives](#)
56. [Forensic Accounting and Fraud Examination](#)

57. [Forensic Accounting and Fraud Investigation for Non-Experts, Third Edition](#)
58. [Forensic Analytics: Methods and Techniques for Forensic Accounting Investigations](#)
59. [Frankensteins of Fraud](#)
60. [Fraud 101: Techniques and Strategies for Understanding Fraud, Third Edition](#)
61. [Fraud Analysis Techniques Using ACL](#)
62. [Fraud Analytics: Using Descriptive, Predictive, and Social Network Techniques](#)
63. [Fraud and Abuse in Nonprofit Organizations](#)
64. [Fraud and Fraud Detection: A Data Analytics Approach](#)
65. [Fraud Auditing and Forensic Accounting, Fourth Edition](#)
66. [Fraud Casebook: Lessons from the Bad Side of Business](#)
67. [Fraud Data Analytics Methodology: The Fraud Scenario Approach to Uncovering Fraud in Core Business Systems](#)
68. [Fraud in the Markets: Why it Happens and How to Fight it](#)
69. [Fraud Risk Assessment: Building a Fraud Audit Program](#)
70. [Fraud Risk Management Guide](#)
71. [Fraud-Related Interviewing](#)
72. [Fraud: An American History from Barnum to Madoff](#)
73. [From One Winning Career to the Next](#)
74. [Future Crimes](#)
75. [Getting the Truth](#)

## **FORENSIC ACCOUNTING RESOURCES (<https://www.acfe.com/>)**

Report to the Nation (ACFE, 2018)

<https://www.acfe.com/report-to-the-nations/2018/>

Government Edition - Report to the Nation (ACFE, 2018)

[www.acfe.com/report-to-the-nations](http://www.acfe.com/report-to-the-nations)

<file:///E:/FORENSIC%20ACCOUNTING/RTTN-Government-Edition.pdf>

Report to the Nation (ACFE, 2018) -Asia-Pacific Edition

[www.acfe.com/report-to-the-nations](http://www.acfe.com/report-to-the-nations)

<file:///E:/FORENSIC%20ACCOUNTING/RTTN-Asia-Pacific-Edition.pdf>

Types of Fraud

<https://www.acfe.com/self-study-cpe.aspx#paging:number=75|topic-filter:path=default|for>

Forensic Accounting Phases

<https://www.acfe.com/etp-ethics-and-compliance.aspx>

1. Investigation and Examining
2. Ethics and Compliance
3. Prevention and Detection
4. Computers and Technology
5. Interviewing and Reporting
6. Accounting and Auditing
7. Financial Transactions and Fraud Schemes
8. Legal Elements
9. Professional Behavior and Career Development

## **REFERENCES: Fraud Types ([www.acfe.com/](http://www.acfe.com/))**

1. 10 Common External Threats to Your Organization
2. 10 Infamous Fraud Cases of the 21st Century
3. A Celebration of Heroes: Working with Whistleblowers
4. Analyzing Bank Records
5. Analyzing Written Statements for Deception and Fraud
6. Auditing for Vendor Fraud
7. Avoiding Ethical Lapses as a CFE
8. Beyond the Numbers: Professional Interviewing Techniques
9. Bitcoin and Virtual Economies: Fraud's New Best Friend
10. Bribery in International Business Transactions
11. Business Ethics: Helping Businesses Succeed by Addressing Waste and Abuse
12. Compliance and the Fraud Examiner
13. Conducting Effective Background Checks
14. Conducting Grant Fraud Investigations
15. Conducting Internal Investigations
16. Construction Fraud
17. Construction Fraud: Detecting, Controlling and Auditing
18. Consumer Fraud
19. Contract and Procurement Fraud
20. Conversation with a Fraudster
21. Cooking the Books: What Every Accountant Should Know About Fraud
22. Corporate Con: Internal Fraud and the Auditor
23. Corporate Governance for Fraud Prevention
24. Corporate Probation: The Use of Independent Monitors to Improve Compliance and Prevent Fraud
25. Criminology and the Psychology of Fraud
26. Cybersecurity Best Practices
27. Data Analysis Techniques for Fraud Examiners
28. Detecting and Deterring Conflicts of Interest
29. Elder Financial Exploitation: A Primer for CFEs
30. Employee Monitoring
31. Enhancing Investigations with Advanced Analytics
32. Ethical Issues for Fraud Examiners
33. Ethical Theory for Fraud Examiners
34. Ethics and Compliance through the Eyes of an Independent Monitor
35. Ethics for Fraud Examiners in the Digital Age
36. Ethics in an Unethical World
37. Evaluating and Testing Anti-Fraud Controls
38. Facilitators of Corruption
39. FCPA Compliance: Creating an Effective Anti-Corruption Compliance Program
40. FCPA Investigations: Combating Corruption in International Business
41. FIFA Scandal: Lessons Learned
42. Fighting Fraud in the Government
43. Financial Institution Fraud
44. Financial Investigations for Non-Financial Professionals
45. Finding Fraud Through Internal Audit: 3 Case Studies
46. Finding the Truth: Effective Techniques for Interview and Communication
47. Follow the Money: Tracing Concealed Assets
48. Foundations of Mortgage Fraud
49. Fraud Against Government Health Care Programs



50. Fraud and Character: The Psychology and Motivations of White-Collar Criminals
51. Fraud Examination 101
52. Fraud in Capital Projects and the Construction Process
53. Fraud in Local Government
54. Fraud in Nonprofit Organizations
55. Fraud Prevention
56. Fraud Related Interviewing
57. Fraud Risk Assessment
58. Fraud Risk Management
59. Fraud-Related Internal Controls
60. Fundamentals of Computer and Internet Fraud
61. Ghostbusters: Fighting Fictitious Employee Schemes
62. Government Fraud
63. How Companies Can Build an Ethical Culture to Prevent Fraud
64. How to Build an Effective Ethics Program
65. How to Detect and Prevent Financial Statement Fraud
66. Identity Theft
67. Inside Drug Cartels and the Dirty Banks That Serve Them
68. Inside the Fraudster's Mind
69. Integrating Advanced Data Analytics to Identify Rogue Employee Behavior
70. Intelligence Led Response to the Detection of Fraud and Corruption
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72. Internal Controls for Data Security
73. Internal Controls for Fraud Prevention
74. Internal Investigations in Canada: Gathering and Protecting Evidence
75. Internal Investigations in Canada: Interviewing and Reporting
76. International Financial Reporting Standards for Financial Statement Fraud
77. Interviewing and Interrogation Toolkit
78. Interviewing Dos and Don'ts
79. Interviewing Witnesses and Suspects
80. Introduction to Asset Misappropriation
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82. Introduction to Financial Statement Fraud
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84. Investigating by Computer, Second Edition
85. Investigating Money Laundering
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87. Issues in Conducting International Fraud Investigations
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89. Issues in Developing a Global Compliance and Ethics Program
90. Legal Issues in Fraud Examinations
91. Lehman's Collapse - Repo 105/108 Transactions: The Anatomy of Accounting Deception
92. Looking Fraud in the Eye
93. Making Crime Pay: How to Locate Hidden Assets
94. Managing and Organizing a Successful Fraud Examination
95. Managing Client Emotions: The Softer Side of Fraud Examinations
96. Managing the Client Relationship
97. Marketing Your Fraud Examination Practice
98. Navigating the Evolving Challenges of Business Corruption, Fraud and FCPA Issues in China's New Normal
99. Other People's Money: The Basics of Asset Misappropriation
100. Overcoming Bias in Investigations and Audits

101. Planning and Preparing for a Successful Fraud Examination
102. Potholes on the Ethical Road from Investigation to Prosecution
103. Practical Ethics for Fraud Examiners
104. Predictive Analytics to Prioritize Investigations and Audits of Contract Fraud, Waste and Abuse
105. Preventing and Detecting Financial Institution Fraud
106. Preventing Identity Theft
107. Protecting Against Emerging Cyber Risks
108. Recovering the Proceeds of Fraud
109. Red Flags of Conflicts of Interest
110. Report Writing
111. Securities Fraud
112. Shell Games: Investigating Shell Companies and Understanding Their Roles in International Fraud
113. Signs of Deception
114. Sources of Information
115. Textual Analytics
116. The ABCs of Bankruptcy Fraud
117. The ACFE and COSO: The Past, Present and Future of Fraud Risk Management
118. The Anatomy of a Bribe
119. The Art of Questioning: Getting the Truth in Interviews
120. The CFE as an Expert Witness
121. The Fraud Trial
122. The Fraud Triangle
123. The Landscape of Whistleblowing: A Personal and Professional Perspective
124. The Rise of Virtual Currencies: Innovative Technology and Novel Schemes
125. U.K. Bribery Act: Compliance and Investigation
126. Understanding Corporate Whistleblower Protections and Challenges
127. Understanding the Basics of Mortgage Fraud
128. Using Benford's Law to Detect Fraud
129. Using Readily Available Information Technology Resources to Assist with Auditing for Fraud
130. Using Tax Returns in Fraud Examinations
131. What is Benford's Law?
132. What is Blockchain?
133. What is Business Email Compromise?
134. What is the GDPR?
135. When Your Mom Steals Your Identity: Exploring What Happened to the Betz Family and Why
136. Who's Lying? How to Identify and Document Untruthfulness in Fraud Investigations
137. Why Audits Fail to Find Fraud
138. Why Good People Do Bad Things: The Psychology of Workplace Deviance
139. Why We Take the Road to the Ethical Dark Side
140. Working with Attorneys in Fraud Examinations
141. Working with Whistleblowers: Developing Your Program and Managing Claims
142. Written Statement Analysis
143. Cryptocurrency 201: Cryptocurrency and Transactional Components
144. Cryptocurrency 101: Distributed Ledger Technology and Blockchain
145. How to Evaluate Your Organization's Moral Compass

## **Biographies**

### **Edwin S. W. Young, Retired City Auditor, City and County of Honolulu, Instructor**

His past audits covered a diversity of subject areas, including financial, performance, and information technology audits. The audits included utilities risk management, street maintenance, vehicle and city fleet operations, city planning and development review processes, refuse hauling, workers compensation programs, code enforcement, and joint cities programs. These audits gained national recognition for the City of Palo Alto by adding value to organizational operations and received several national awards for improving management and program processes.

As city auditor for Honolulu, his office has introduced to the city several initiatives such as audit based risk assessments, service efforts and accomplishments performance reporting, citizen centric metrics, and value added performance auditing. His office has recently won national recognition, several national awards, city council certificates of recognition, and been designated one of the 20 best practices audit offices in the country.

Edwin began his auditing career with the General Accountability Office (GAO) and spent 25 years with the federal government. He served as an audit manager with the US Air Force Audit Agency; division director and headquarters desk officer with the Naval Audit Service; a foreign service specialist with the U.S. State Department; and regional inspector general for the Small Business Administration. After retiring from federal service in 2000, he served as director of internal audit for the California State University at Fullerton before moving on to the City of Palo Alto, host city for Stanford University. After retiring from California, he assumed the position of City Auditor for the City and County of Honolulu in 2010. He also served in the U.S. Air Force.

Edwin has a bachelor degree from the University of Hawaii, a masters in finance from the University of Utah, and another masters in information systems analysis from the University of Southern California. His certifications include CIA, CFE, CGFM and CRMA, and citations in several Who's Who publications.

### **Cheryl Matsumoto, CPA, Internal Revenue Service, Instructor**

Cheryl is the Honolulu Team Manager for the Large and Mid-Size Business Division of the Internal Revenue Service. This Division oversees the IRS's dealing with taxpayers filing complex returns that involve asset holdings exceeding \$ 10 million. It is devoted to identifying, developing and pursuing abusive tax avoidance transactions and reporting.

Cheryl earned her BBA and MAcc degrees from the University of Hawaii and is a CPA. She began her IRS career in 1991 as an Internal Revenue Agent. She has held various positions within the IRS including Group Manager for the Small Business and Self-Employed Divisions, District Passive Activity Loss Project Coordinator, Field Agent Examination Computer Specialist and Automated Referral System Manager. Prior to joining the IRS, Cheryl taught for the University of Hawaii School of Accountancy.

### **Troy Shimasaki, CRMA, Acting City Auditor, City and County of Honolulu**

Troy is the Acting City Auditor, City & County of Honolulu and has 19 years of performance auditing experience. He began his auditing career with the Hawaii State Auditor's Office in 2000 and transitioned to the City Auditor's Office in 2004. Troy was the lead auditor on several high-profile city audits including HART, ambulance fleet and operations, paratransit services, Board of Water Supply, and road maintenance. His audit reports have received national recognition and won several national awards.

Prior to his auditing career, Troy worked at the State Legislature for eight years as a Legislative Aide and Committee Clerk in both the State House and Senate. Troy earned a Bachelor of Business Administration degree from the University of Hawai'i at Mānoa and holds a Certification in Risk Management Assurance from the Institute of Internal Auditors.

### **Tyler Kimura, CPA and Certified Fraud Examiner (CFE)**

Tyler specializes in providing forensic accounting, litigation support and fraud investigation services at Spire Hawaii LLP, a Hawaii-based accounting and consulting firm. Prior to joining Spire, Mr. Kimura performed advisory services at Grant Thornton LLP, and was a managing consultant in the Disputes and Investigations practice at Navigant Consulting, Inc., in Los Angeles, California. Tyler is the President of the Hawai'i Chapter of Association of Certified Fraud Examiners.

He has over 14 years of experience in Hawai'i and California and has performed numerous fraud investigations, including tracing of funds and calculation of losses related to fraudulent transactions. He also provides litigation support services, including calculations and critiques of economic damages related to breaches of contract, copyright infringement, bankruptcy, and other claims in the telecommunications, entertainment, defense, direct marketing, and real estate industries.

### **Joseph Hildorfer, Author and Retired FBI Agent**

Joseph was hired by the FBI as a Special Agent and assigned to its Seattle Division, working on matters such as: bank robberies, armored car robberies, kidnappings, organized crime, and narcotics. He also worked on high profile cases such as the Robert Mathews et al. and Aryan Nation/White Supremacist investigation, and the Green River Killer. In 1989, he transferred to the FBI's flagship office in New York City, conducted other investigations, and was an undercover agent for the Counter Espionage division.

In 1992, Joseph joined the Environmental Protection Agency (EPA) Criminal Investigation Division and was involved in high profile, white collar investigations in the Pacific Northwest. He received the EPA's highest commendations (a gold medal for his Evergreen Resources investigation, a gold medal for his Olympic Pipeline investigation, and a silver medal for his Boomsnub and Advanced Electroplating investigation). His investigations contributed to the successful prosecution of the environmental crimes and resulted in massive superfund cleanups. Joseph further served as a member of the EPA counter terrorism response team and participated in the 2001 anthrax investigation in Washington, D.C.

Joseph co-authored the book, *Cyanide Canary*, which was selected by the Washington Post as one of the best and most important books of 2004. His book was selected as the book of the year by the Idaho Library Association.

Joseph was born and raised in Pittsburgh, Pennsylvania. He has a bachelor degree in Criminology, a masters in Criminal Justice Administration from Indiana University – Pennsylvania, and a law degree (JD) from the University of Pittsburgh. He was admitted to the Pennsylvania Bar and retired from the federal government in 2007. Joseph and his wife relocated from Seattle to Honolulu and he still roots for the Steelers, the Penguins, the Pirates, and the Seattle Seahawks.