

MGT/P-429-001
Detection and Prevention of Asset Misappropriation Fraud in the Workplace
Syllabus - Fall 2016
(Updated 9/22/2016)

General Information

Sunday, September 25, 2016, 9:00am – 12:00pm, 1:00pm – 3:00pm (**room 3202**)

Sunday, October 9th, 2016, 9:00am – 12:00pm, 1:00pm – 3:00pm (**room 2205**)

Location

4610 X St #2203, Sacramento, CA 95817

9/25 - Room 3202

10/9 - Room 2205

Instructor:

Nicholas Briscoe, MS, CVA, CEA, CFE

Email: nabriscoe@ucdavis.edu

Telephone: (916) 890-3889

Office & Office Hours: Before and after class, by email and by appointment

Course Description

Asset misappropriation fraud involves third parties or employees in an organization who abuse their position to steal from it through fraudulent activity. This type of fraud can be committed by company directors, or its employees, or anyone else entrusted to hold and manage the assets and interests of an organization.

This course will discuss the fundamentals of fraud detection and prevention in the workplace involving asset misappropriation. Students will learn the major types and schemes of asset misappropriation fraud, how management can detect fraud and what policies and procedures can be put in place to prevent fraud. In addition, this course will discuss forensic accounting analyses that experts utilize to demonstrate theft as well as the technology available for detection. The course will have multiple guest speakers in the areas of fraud investigations, forensic technology and fraud prevention.

Specific topics the course will cover include:

- The Fraudster profile
- Skimming, Cash Larceny, Check Tampering
- Register Disbursement, Billing, Payroll and Inventory Schemes
- Prevention of Workplace Fraud
- Detection of Workplace Fraud
- Forensic Accounting Investigation, Forensic Technology Investigation
- Cyber Fraud
- Employee IP Theft

Course Learning Outcomes

As managers or future owners in corporations, both small and large, as well as government agencies, students should be aware of asset misappropriation fraud schemes involving employees, vendors, or even high level executives. This course is attended to address workplace fraud and theft from employees or management. This course does not address financial statement fraud, accounting statement fraud or ponzi schemes, as other courses do a great job of addressing those areas.

By the end of this course students should be able to:

- Identify different types of workplace asset misappropriation fraud
- Describe different methodologies to detect occupational fraud
- Evaluate key areas in which fraud prevention can be performed in a company
- Comprehend the analysis of various financial and accounting records in order to demonstrate or detect asset misappropriation theft

Required Text, Problem Solutions and Class Handouts

The required reading for this course is:

ACFE Report to the Nations on Occupational Fraud and Abuse (2014) downloadable at <http://www.acfe.com/rtn2016/docs/2016-report-to-the-nations.pdf>

Briscoe, Nicholas, Byran, Tim, Theobald, Jonathon, “Public Funds, Public Scrutiny: Reducing Fraud Risk in Local Government,” Crowe Horwath LLP White Paper, April 2016. (Will be provided in class)

Other reading materials will be handed out in class.

A recommended (but not required) reading for this course is:

The Complete Guide to Spotting Accounting Fraud and Cover-Ups, by Martha Maeda (2010).

Chapter 1: Defining and Measuring Fraud

Chapter 2: The Scope of the Problem

Chapter 4: How Fraud is Detected

Chapter 5: Asset Misappropriation and Embezzlement

Chapter 6: Fraudulent Disbursements

Chapter 9: Detecting Accounting Fraud Within An Organization

Chapter 12: Preventing Fraud in Your Company or Business

Chapter 13: Conducting a Fraud Risk Assessment

Chapter 14: Conducting an Internal Fraud Investigation

Instructor Availability

Please feel free to contact me whenever you have a question or concern. I am committed to providing the educational support expected by University of California students, so please do not hesitate to contact me via email or to visit during my office hours.

Course Assignments and Grading

This course will be graded on a normal grading scale

- A = 95% and above
- A- = 90% – 94.9 %
- B+ = 87.5% – 89.9%
- B = 85% – 87.4%
- B - = 82.5% – 84.9%
- C and below = < 82.5%

Assignments	Percent of Final grade
Class participation and in-class discussion	33.3%
Project / Presentation	33.3%
Take-Home Case Study	33.3%

Class Participation and in-class exercises (33.3%)

Class participation and in-class discussion are worth 33.3% of your final course grade. Class attendance is mandatory. This class is only 2 days in length. If you are unable to make the 2 days of class, please do not sign up for the course.

You are encouraged to think critically and comprehensively, and to actively participate in classroom discussions and interact with guest speakers. To be fully prepared for class discussions, it is advisable to outline the assigned readings before each class session.

Day 2 Project (33.3%)

Students will present individually to the class at the beginning of day 2. If the class size is too large, team will be formed at the end of day 1. Students have the option of 2 topics for a short in-class 5 to 10 minute presentation.

The first option is evaluate the fraud prevention and detection techniques at your current or former workplace. This might entail interviewing management, human resources or in-house counsel. Note: We do not need to know about proprietary prevention methods, but we are interested in the methods we study in class and how they are implemented. You are then to ask the question to yourself of what else your company can do to prevent or detect fraud and employee theft.

The second option is to research a recent workplace fraud. The instructor will provide case briefs from the Association of Certified fraud Examiners Fraud Magazine to those who would like one. The student is to tell the story of the workplace fraud that took place, how it was detected, how much was stolen, and how it could have been or attempted to have been prevented.

You are required to confirm your topic of your presentation with the instructor

Take-Home Case Study - Due Sunday October 16th 10:00pm (33.3%)

After the final day of class, students will take home a short case study involving fraudulent transactions in asset misappropriation fraud. Students will utilize the skills learned in class to analyze case information to determine how fraud is being performed. A short 1-2 page report will be required outlining the fraud, what was done to detect the fraud and what could have been done to prevent the fraud. More info to come at the beginning of class. This project will be due one week after the final class. Students must submit their report through **Canvas** to the instructor by **10:00pm on October 16th, 2016**.

Tentative Class Schedule

Sunday, September 25, 2016

- 9:00am – 9:30am: Introduction
- 9:30am – 11:00am: Introduction to Fraud Prevention and Detection
- 11:00am – 12:00pm: Guest Speaker, Patrick Matchell, Compliance Officer - Sutter Health
Office of the General Counsel Ethics & Compliance Services
- 12:00pm – 1:00pm: Lunch
- 1:00pm – 2:00pm: Guest Speaker, Eric Johnson, Chief Information Officer, River City Bank
- 2:00pm – 2:45pm: Fraud Prevention and Detection Continued
- 2:45pm – 3:00pm: Overview of Day 2 presentation/project

Sunday, October 9, 2016

- 9:00am – 11:00am: Class Presentations
- 11:00am – 12:00pm: Guest Speaker, Aaron Reyes, Senior Manager, Cyber and Digital
Forensics, Crowe Horwath LLP
- 12:00pm – 1:00pm: Lunch
- 1:00pm – 2:00pm: Guest Speaker, Jennifer Duggan, Duggan Law Corporation
- 2:00pm – 2:45pm: Forensic Accounting Introduction
- 2:45pm – 3:00pm: Overview of Take Home Case Study