

## **MGT/P-429**

# **Detection and Prevention of Asset Misappropriation Fraud in the Workplace Tentative Syllabus – Spring 2020**

### **General Information**

Sunday, April 19, 2020, 9:00am – 12:00pm, 1:00pm – 3:00pm

Sunday, May 3, 2020, 9:00am – 12:00pm, 1:00pm – 3:00pm

### Location

Sacramento Campus

### Instructor:

Nicholas Briscoe

Email: [nabriscoe@ucdavis.edu](mailto: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. Furthermore, this course will review workplace cyber fraud threats and methods of prevention. The course will have multiple guest speakers in the areas of fraud investigations, forensic technology, cyber fraud and fraud prevention.

Specific topics the course will cover include:

- The Fraudster Profile
- Common Fraud Schemes
- Prevention of Workplace Fraud
- Detection of Workplace Fraud
- Forensic Accounting Investigation, Forensic Technology Investigation
- Cyber Fraud

## 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, management or outsiders. 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:

*Managing the Business Risk of Fraud: A Practical Guide*, The Institute of Internal Auditors, The American Institute of Certified Public Accountants, Association of Certified Fraud Examiners. Downloadable at:

[https://www.acfe.com/uploadedfiles/acfe\\_website/content/documents/managing-business-risk.pdf](https://www.acfe.com/uploadedfiles/acfe_website/content/documents/managing-business-risk.pdf)

*Report to the Nations 2018 Global Study on Occupational fraud and Abuse*, Association of Certified Fraud Examiners. Downloadable at:

<https://s3-us-west-2.amazonaws.com/acfe-public/2018-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.

## Couse Standards

As always, students are expected to fulfill their responsibilities under the University Of California Code Of Academic Conduct for Students. You can find the full text here:

<http://sja.ucdavis.edu/files/cac.pdf>

## 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 two days in length. If you are unable to make the two 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, teams will be formed at the end of day 1. Students will present a case study in-class with a short ~ 10-minute presentation.

The instructor will provide case briefs from the Association of Certified Fraud Examiners Fraud Magazine. 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. Please include at least one additional method of possible prevention not mentioned in the case study

### **Take-Home Case Study - Due Sunday May 10, 10:00pm (33.3%)**

After the final day of class, students have two options...

**Option 1:** 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 May 10, 2020**.

**Option 2:** The second option for the Take-Home Case Study 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. A short 1-2 page report will be required outlining your evaluation and conclusions. 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 May 10, 2020**.

### **Tentative Class Schedule**

#### **Sunday, April 19, 2020**

9:00am – 9:30am: Introduction  
9:30am – 11:00am: Introduction to Fraud Prevention and Detection  
11:00am – 12:00pm: Guest Speaker, Fraud Prevention  
12:00pm – 1:00pm: Lunch  
1:00pm – 2:00pm: Guest Speaker, Fraud Prevention  
2:00pm – 2:45pm: Fraud Prevention and Detection Continued  
2:45pm – 3:00pm: Overview of Day 2 presentation/project

#### **Sunday, May 3, 2020**

9:00am – 12:00am: Class Presentations  
12:00pm – 1:00pm: Lunch  
1:00pm – 2:00pm: Guest Speaker, Forensic Technology  
2:00pm – 2:45pm: Forensic Accounting  
2:45pm – 3:00pm: Overview of Take Home Case Study