



COLORADO STATE UNIVERSITY — GLOBAL —

CRJ557: FRAUD INVESTIGATION

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.

Faculty Information: Faculty contact information and office hours can be found on the faculty profile page.

COURSE DESCRIPTION AND OUTCOMES

Course Description:

In this course, we will review types of fraud, documents associated with criminal investigation of fraud, sources of evidence, and analysis of internal and external fraud schemes. Emphasis on the skills needed to identify and investigate fraud will be reviewed. The typology and investigative processes associated with an array of white-collar crimes will be analyzed. Review of the process of serving search warrants, civic injunctions, and forfeiture will be addressed. A full range of investigative tools and techniques involved in investigating white-collar criminal cases will be examined. Examples of important documents such as search warrants, seizure warrants, and civil injunction declarations will be given.

Course Overview:

In this course, we will examine a variety of financial frauds that are commonly investigated. Frauds, including financial misstatements and embezzlements, will be introduced. Our topic coverage will include investigative techniques, evidence gathering and how to testify professionally in legal proceedings. In addition, document coverage, such as search warrants, seizure warrants and civil injunctions, will be interlaced throughout the term. The material coverage will be reinforced and enhanced using real-life cases and discussions.

Course Learning Outcomes:

1. Analyze the process and the problems of fraud investigations including illicit transactions that indicate fraudulent activity or the heightened risk of fraud.
2. Evaluate the elements of proof peculiar (e.g., terrorism financing) to white-collar crimes.
3. Apply accounting and auditing theories for investigators as well as techniques for effective financial interviewing and interrogation.
4. Infer and identify issues that arise when obtaining public information, a subpoena, and search warrants.
5. Determine practices of evidence and documentation in court proceedings.

6. Create an investigative report.

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. 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

Required:

Calvinson-Ashley, D. (2016). *Forensic accounting and fraud investigation*. Charleston, SC: CreateSpace Independent Publishing Platform. ISBN-13: 9781537400747

NOTE: All non-textbook required readings and materials necessary to complete assignments, discussions, and/or supplemental or required exercises are provided within the course itself. Please read through each course module carefully.

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.
- **Opening Exercises:** Take the opening exercise before reading each week's content to see which areas you will need to focus on. You may take these exercises as many times as you need. The opening exercises will not affect your final grade.
- **Mastery Exercises:** Students may access and retake mastery exercises through the last day of class until they achieve the scores they desire.
- **Critical Thinking:** Assignments are due Sunday at 11:59 p.m. MT.

WEEKLY READING AND ASSIGNMENT DETAILS

Module 1

Readings

Chapter 1 in *Forensic Accounting and Fraud Investigation*

Opening Exercise (0 points)

Discussion (25 points)

Critical Thinking: (75 points)

Choose one of the following two assignments to complete this week. Do not do both assignments. Identify your assignment choice in the title of your submission.

Option #1

Analyze the role the Fraud Auditor plays in the following case.

FRONTLINE investigates why Wall Street's leaders have escaped prosecution for any fraud related to the sale of bad mortgages.

Smith, M. (Director). (2013). The Untouchables [Video file]. PBS.

Your paper should be 2-3 pages in length and conform to the CSU-Global Guide to Writing and APA Requirements.

Option #2

Analyze the role the Forensic Accountant plays in the following videos.

Income statements are most widely cited in popular business news. Income is measured under general accounting principles. Income statements are organized to reflect everything from revenue to operating expenses. Explain four questions everyone reviewing an income statement should ask.

(2015). Why the Income Statement Matters [Video file]. *The Great Courses*.

Your paper should be 2-3 pages in length and conform to the CSU-Global Guide to Writing and APA Requirements.

Mastery Exercise (10 points)

Module 2

Readings

- Chapter 2, Lessons 1-7, in *Forensic Accounting and Fraud Investigation*

Opening Exercise (0 points)

Discussion (25 points)

Critical Thinking: (75 points)

Choose one of the following two assignments to complete this week. Do not do both assignments. Identify your assignment choice in the title of your submission.

Option #1

You are the Fraud Auditor for the case below. Analyze the type of fraud scheme and determine the red flags common to this type of fraud. Also determine the specific red flags to this type of fraud. Use other CSU Global resources for research.

Lecat, B., Brouard, J., & Chapuis, C. (2017). Fraud and counterfeit wines in France: An overview and perspectives. *British Food Journal*, 119(1), 84-104.

Your paper should be 2-3 pages in length and conform to the CSU-Global Guide to Writing and APA Requirements.

Option #2

You are the Fraud Auditor for this case. Analyze the type of fraud scheme and determine the red flags common to this type of fraud. Also determine the specific red flags to this type of fraud. Use other CSU Global resources for research.

McInerney, J. (2016, September). Wine: A nose for crime. *Town and Country*, 170(5428), 100.

Morning Edition (2015). Sip on this: That \$10,000 bottle of wine might really be 2-buck chuck. *National Public Radio*.

Your paper should be 2-3 pages in length and conform to the CSU-Global Guide to Writing and APA Requirements.

Mastery Exercise (10 points)

Module 3

Readings

- Chapter 2, Lesson 8, in *Forensic Accounting and Fraud Investigation*

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Critical Thinking: (75 points)

Choose one of the following two assignments to complete this week. Do not do both assignments. Identify your assignment choice in the title of your submission.

Option #1

Analyze how due process was prevalent in the fraud case noted below. Analyze the search warrant process. Summarize the fraud case.

United States v. Nordlicht, 2018 U.S. Dist. LEXIS 17630 (E.D.N.Y. Feb. 2, 2018).

Your paper should be 2-3 pages in length and conform to the CSU-Global Guide to Writing and APA Requirements.

Option #2

Analyze how due process was prevalent in the white-collar crime case noted below. Analyze the search warrant process relative to this article. Summarize the fraud case.

Simmons-Brown, A. (2017, January). When white-collar crime goes dirty. *Fraud Magazine*.

Your paper should be 2-3 pages in length and conform to the CSU-Global Guide to Writing and APA Requirements.

Portfolio Milestone (50 points)

Conduct research and locate at least 5 outside sources that you will be using in your final portfolio project; utilize the CSU-Global Library for this search. List your references in a Word document and then provide a summary of at least 2 sentences per resource of how this source will be used in your paper.

Content must be well written and formatted according to the CSU-Global Guide to Writing and APA Requirements.

Module 4

Readings

- Chapter 3, Lesson 1, in *Forensic Accounting and Fraud Investigation*

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Critical Thinking: (75 points)

Choose one of the following two assignments to complete this week. Do not do both assignments. Identify your assignment choice in the title of your submission.

Option #1

Describe the interview process in a fraud case. Review the following case regarding fraudulent birth certificates and analyze how the Fraud Auditor would prepare for the interview. Develop a plan of action and prepare a list of at least five open ended questions. Do not use hypothetical questions.

Martinez v. Sec'y of the United States, 652 Fed. Appx. 758 United States Court of Appeals for the Eleventh Circuit June 8, 2016. Decided; June 8, 2016, Filed.

Option #2

Complete these three tasks in a Word document:

1. Describe the goals of the interrogation process in a fraud case.
2. Describe methods of coercive interrogations.
3. Review this case regarding fraudulent credit cards and summarize the interrogation process the Fraud Auditor would use in the case of United States v. Aker, 2018 U.S. Dist. LEXIS 9481.

Module 5

Readings

- Chapter 3 in *Forensic Accounting and Fraud Investigation*

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Critical Thinking: (75 points)

Choose one of the following two assignments to complete this week. Do not do both assignments. Identify your assignment choice in the title of your submission.

Option #1

Review the securities fraud case below and analyze the Federal Rules of Evidence relative to the case. Also summarize the case.

UNITED STATES OF AMERICA, -against- GEORGE DOUMANIS ET AL., Defendant.
17-cr-00087 (ALC)
UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK
2018 U.S. Dist. LEXIS 13964

Option #2

Review the mail fraud case below and analyze the Federal Rules of Evidence relative to the case. Also, summarize the case.

UNITED STATES OF AMERICA v. RENITA BLUNT
Crim. No. 1:16-cr-050-2
UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF PENNSYLVANIA
2017 U.S. Dist. LEXIS 209902

Portfolio Milestone (50 points)

Develop and submit a one-page Word document outline that presents the specifics you plan to address in the Portfolio. Use APA formatting in your outline (i.e., Section I, II, III etc.). Content must be well written and formatted according to CSU-Global Guide to Writing and APA Requirements.

Module 6

Readings

- Chapter 4 in *Forensic Accounting and Fraud Investigation*

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Critical Thinking: (75 points)

Choose one of the following two assignments to complete this week. Do not do both assignments. Identify your assignment choice in the title of your submission.

Option #1

Review the following article regarding timesheet fraud and analyze the evidence the prosecution would present, based on the findings of a Fraud Auditor.

Riney, F. (2017, February). The grand scheme of things: The large and small magnitudes of timesheet fraud. *Fraud Magazine*.

Option #2

Review the following transaction laundering fraud case and analyze the evidence the defense would present, based on the findings of the Fraud Auditor.

Galloni, A. J. (2016, September). Hiding in plain sight: Transaction laundering. *Fraud Magazine*.

Module 7

Readings

- Chapter 4 in *Forensic Accounting and Fraud Investigation*

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Module 8

Readings

- Chapter 4 in *Forensic Accounting and Fraud Investigation*

Opening Exercise (0 points)

Discussion (25 points)

Mastery Exercise (10 points)

Portfolio Project (350 points)

Choose one of the following two Portfolio Project assignments to complete before midnight of Week 8. Do not do both assignments. Identify your assignment choice in the title of your submission.

Portfolio Project Option #1: Shell Company Scheme Investigation (250 points)

The legal, physical, business capacity, and reference checking provides a methodology for identifying shell corporations. The process is not one-dimensional but is a process of collecting and analyzing information that correlates to the fraud scenario. For this Portfolio Project option, you will assume the role of a Fraud Auditor and write an essay that addresses the following items in detail:

Review the attached document regarding the case of:

Knapp v. Knapp, 2018 N.J. Super. Unpub. LEXIS 171, 2018 WL 549047 (App.Div. Jan. 25, 2018).

Answer the questions below regarding the shell company noted in the case - Lord and Knapp Homes, LLC.

The most common types of billing schemes are shell companies.

- Define a shell company.
- What are the red flags regarding a shell company?
- What steps would the Fraud Auditor take to perform a search for the fraudster? Explain in detail the public records that would be searched.
- Explain how the Fraud Auditor would verify the legal existence of the shell company.
- Explain how the Fraud Auditor would verify the physical existence of the shell company. The bottom line is to determine if the known physical location of the business is consistent with the business on the vendor invoice.
- Explain what references the Fraud Auditor would check to determine if the company exists.

Create a Business Capacity Test focusing on the employees, public records, and company website.

Build a fraud investigative profile summarizing the above results.

Your paper should be approximately 8-10 pages in length, be supported by at least 5 outside sources, and conform to the CSU-Global Guide to Writing and APA Requirements.

Your sources may be from this course or from the CSU-Global Library.

Portfolio Project Option #2: Wine Fraud (250 points)

For Portfolio Project Option #2, you will assume the role of a Fraud Auditor and analyze the following regarding wine fraud. Review all the articles.

LeCraw v. Antique Wine Co. Franchising, 2015 U.S. Dist. LEXIS 34645, 2015 WL 1277001 (N.D. Ga. Mar. 19, 2015).

Nazaryan, A. (2016, January 15). Where there's a will, there's a way. *Newsweek Global*, 166(2), 56-60.

Newlands, C. (2015, November 21). A good nose is needed for the grape haul of China. *FT.com*.

There are several components to this project and two preliminary deliverables due before Module 8.

In this project, you will perform a comprehensive review and evaluation of the fraud case and then answer key questions regarding this fraud occurrence. As you construct your responses, you must use key concepts and principles from the course.

As a Fraud Auditor you are tasked with reviewing this case and providing detailed responses to the questions listed below in a PowerPoint presentation. Make sure to indicate specific investigative tactics that you would have utilized.

- Analyze the fraud red flags.
- Consider the behavioral aspects of the fraud; what behavioral cues were present and how could they have helped to detect fraud earlier?
- Analyze how to assess the fraud risk.
- Explain the three aspects of the fraud triangle and how these factors enabled the fraud to occur.
- Determine what factors auditors and fraud examiners should pay attention to that could indicate this type of fraud.
- Determine what type of fraud scheme(s) occurred.
- Build a fraud investigative profile summarizing the above results.

Your project should be approximately 12-20 PowerPoint slides in length and be supported by at least 5 outside sources. Address all questions. Content must be well written and formatted according to the CSU-Global Guide to Writing and APA Requirements. The CSU-Global Guide to Writing and APA Requirements is a good place to find academic resources.

Your final PowerPoint is due by the end of Module 8. Ensure it is well crafted, free from errors, and clearly organized.

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% Final Portfolio Project

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 and APA Requirements* 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 and APA Requirements* 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 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.