

# ADMJ 0089 - FRAUD EXAMINATION

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## Catalog Description

Advisory: Completion of ADMJ 54 with grade of "C" or better

Hours: 54 lecture

Description: Covers principles and methodology of fraud detection and deterrence. Includes topics such as skimming, cash larceny, check tampering, register disbursement schemes, billing schemes, payroll and expense reimbursement schemes, non-cash misappropriations, corruption, accounting principles and fraud, fraudulent financial statements, and interviewing witnesses. (CSU)

## Course Student Learning Outcomes

- CSLO #1: Define the nature and symptoms of fraud, who commits it, and why.
- CSLO #2: Evaluate the methods to prevent fraud and the approaches to detecting it.
- CSLO #3: Analyze fraud investigation techniques.
- CSLO #4: Apply ethical decision-making skills to fraud scenarios.

## Effective Term

Fall 2017

## Course Type

Credit - Degree-applicable

## Contact Hours

54

## Outside of Class Hours

108

## Total Student Learning Hours

162

## Course Objectives

1. Compare and contrast occupational and non-occupational fraud.
2. Differentiate between fraud and abuse.
3. Describe how perceived opportunity and rationalization contribute to fraud.
4. Compare the two principal categories of skimming schemes.
5. Explain how sales skimming is committed and concealed.
6. Show how cash register manipulations are used to skim currency.
7. Identify and explain techniques for preventing and detecting sales skimming.
8. Define methods typically used by fraudsters to conceal receivables skimming.
9. Explain proactive audit tests that can be used to detect skimming.
10. Compare and contrast cash receipts schemes from fraudulent disbursements.
11. Recognize the difference between cash larceny and skimming.
12. Analyze weaknesses in internal controls as inducing factors to cash larceny schemes.

13. Identify measures that can be used to prevent and detect cash larceny at the point of sale.
14. Identify various methods used by fraudsters to conceal cash larceny of receivables.
15. Identify and explain controls and procedures that can be used to prevent and detect cash larceny from bank deposits.
16. Compare and contrast categories of fraudulent disbursements.
17. Define what a shell company is and how it is formed.
18. Compare and contrast principal categories of check tampering.
19. Differentiate the three main categories of payroll fraud.
20. Analyze the five main categories of non-cash misappropriations.
21. Compare and contrast bribery, extortion, and illegal gratuities.
22. Define fraud as it relates to financial statements.
23. Compare and contrast the five classifications of financial statement fraud.
24. Identify and provide examples of effective interview questions.
25. Demonstrate a proper investigative interview related to fraud.
26. Compare and contrast fraud prevention and fraud deterrence.

## General Education Information

- Approved College Associate Degree GE Applicability
- CSU GE Applicability (Recommended-requires CSU approval)
- Cal-GETC Applicability (Recommended - Requires External Approval)
- IGETC Applicability (Recommended-requires CSU/UC approval)

## Articulation Information

- CSU Transferable

## Methods of Evaluation

- Objective Examinations
  - Example: Given a list of various types of theft by fraudulent means, students will properly identify the appropriate crime and classification.
- Reports
  - Example: Students will write a research report in which they identify and analyze a real-life example of fraud.

## Repeatable

No

## Methods of Instruction

- Lecture/Discussion
- Distance Learning

Lecture:

1. Using PPT slides and video to guide discussion, instructor will explain techniques used to manipulate cash registers to conceal acts of "skimming"

Distance Learning

1. Instructor will facilitate an online discussion comparing and contrasting the elements of the crimes of bribery and extortion

## **Typical Out of Class Assignments**

### **Reading Assignments**

1. After reading the textbook chapter relating to skimming, utilize the Internet as a news source and locate and provide the class with a link to a news article that discusses a potential criminal situation that may involve skimming. 2. Read the chapter relating to billing schemes. Research the Internet and locate a source that describes a "real life" billing scheme scenario and submit a link to that source to the instructor.

### **Writing, Problem Solving or Performance**

1. Utilizing the Internet, locate an article that describes an on-going criminal investigation relating to an alleged "white collar" crime. Identify potential sources of information that may assist fraud examiners in determining whether the conduct indicated in the article constitutes a crime and prepare a two-page written paper identifying potential sources and your recommended approach to obtaining evidence. 2. Research potential real estate lender fraud situations and prepare a two-page report detailing what records will help you establish whether or not fraud has occurred.

### **Other (Term projects, research papers, portfolios, etc.)**

### **Required Materials**

- Principles of Fraud Examination
  - Author: Wells, Joseph T.
  - Publisher: Wiley
  - Publication Date: 2014
  - Text Edition: 4th
  - Classic Textbook?:
  - OER Link:
  - OER:

**Other materials and-or supplies required of students that contribute to the cost of the course.**