Forensic Accounting Panel: Cases
Albrecht and Sack (2000)

• 917 practitioners and educators ranked skills and abilities needed by entry level accountants.

• Practitioners top 3:
  – 1) written communication,
  – 2) Analytical/critical thinking, and
  – 3) oral communications.
Went on to criticize accounting education

• Focus on content rather than helping students develop critical skills:
  – assignments with real companies,
  – team work
  – case analysis,
  – Written/oral presentations,
  – role playing
Forensic accounting cases help fill that deficit

- Famous/not famous Fraud Cases
- Cases that develop skills:
  - Critical thinking
  - Analysis of financial statements
  - Team work
  - Written and oral presentations with accounting substance
Specific Companies

- **HealthSouth, Inc.:** An Instructional Case Examining Auditors’ Legal Liability (Daigle, Louwers, and Morris. 2013).
- **Koss Corporation Case:** Trouble in Brew City (Daugherty and Neely, 2011)
- **Interstate Business College:** A Case Study in Fraud Examination (Peterson and Buckhoff, 2004)
Specific Companies

• Accounting Fraud at CIT Computer Leasing Group, Inc. (Michelman, Gorman, Trompeter, IAE, Vol 26, No 3, 2011)
• Satyam Fraud: A Case Study of India’s Entron (Brown, Daugherty Persellin, IAE, Vol 26. No 1, Aug. 2014)
• The SEC’s Case against California Micro Devices: (D’Aquila and Capriotti, 2011)
Skill Development

- **Use of Public Records to Locate Assets:**
  - The Mobile Home Monster: A Forensic Case in the (Quirin, O’Bryan, IAE, Vol 27 No 2, May 2014)

- **Use of tax returns to reconstruct an asset and income profile.**
  - The Marriage of Sharon and Henry Sawbones: A forensic Case Illustrating the Use of a Tax return in a litigation advisory Services Context (Quirin, O’Bryan, IAE Vol. 31 No. 3, August 2016.)
Skills

• Value lost profits from a business interruption.
  – A Case Study on the Determination of Lost Profits for the Forensic Accountant (DiGabriele, IAE, Vol 27 No. 3 August 2012)

• Computer assisted Fraud Examination:
  – Tampa Electronics: An Instructional Case in Computer Assisted Fraud Examination (Murthy, IAE, Vol 25, No 3, August 2010)
• Study of Revenue cycle
  • Tasteless Tea Company: A Comprehensive Revenue Transaction Cycle Case Study (Premuroso, Hopwood and Bhattacharya, IAE Vol 26. No. 1, 2011)

• Preparing an Expert Witness report and testimony
  – Arson or Accident: A forensic Accounting case requiring Critical Thinking and Expert Communication (Durtschi, Rufus, IAE forthcoming)
• Fraud Investigation (identifying fraud, collecting documentary evidence)
  – Grand Teton Candy Company (Dee, Durtschi, Mindak, IAE, 2014)

  – Mountain State Sporting Goods: A Case of Fraud? A Case Study in Fraud Examination (Rufus, Hahn, IAE, 2011)

  – Return of the Tallahassee BeanCounters (Dee and Durtschi, IAE, 2010)

  – Tallahassee BeanCounters (Durtschi, IAE, 2003)
There is a huge appetite for more cases

- Forensic accounting cases often used in auditing classes
- No reason they shouldn’t be used in other classes.
  - Tax fraud?
  - International Fraud?
- Write cases that do double duty
What makes a good case?

• **Compelling tasks**
  – Needs to be more than GMAT reading comprehension questions.

• **Realistic setting.** Real company or realistic.

• **Learning Objectives:** How does it help students gain the knowledge or skills needed by accountants?
Required in a published case?

- **Written case for students**
  - Step-by-step task to be completed
  - Information students need (or how to find information) to complete task.

- **Learning Objectives & Implementation Guidance for Instructors**
  - Evidence of effectiveness

- **Solutions**
Also required

• Have someone (not authors) use the case
  • Why? Is your implementation guidance good enough?
  • Are student instructions good enough?
  • Have you included all relevant information?
  • Incorporate suggestions for improvement

• Assessment must go beyond “did you have fun doing this case”
Hints

- Interesting teaching methods/tasks
- Keep it simple. Let instructors be creative.
- Don’t think it is easy.
- Tenure. Keep records of use.
Where to publish cases

- Journal of Forensic Accounting Research
- Issues in Accounting Education