WILMINGTON UNIVERSITY  
COLLEGE OF SOCIAL AND BEHAVIORAL SCIENCES  
BASIC COURSE INFORMATION

COURSE TITLE: Financial Fraud Examination

COURSE NUMBER: CRJ/BAC 330

PREREQUISITE: For Criminal Justice students only, CRJ 101

I. RATIONALE:
The incidents of fraudulent activities and dubious financial schemes are on the rise. Fraud is an extremely costly business problem. There is an increasing need for professionals skilled with the investigative skills to uncover fraud and for employees to recognize its warning signs in the workplace.

II. MAJOR INSTRUCTIONAL GOALS:

GOAL A: The student will gain an overview of the nature of fraud-what is fraud and its characteristics, how serious is the problem, fraud-fighting careers, criminal and civil laws pertaining to fraud.

Learning Outcomes: The student will

A-1 Understand the seriousness of the fraud problem and how it affects individuals, consumers, and organizations.
A-2 Define fraud.
A-3 Classify frauds into various types.
A-4 Explain the differences between criminal and civil fraud laws and how they relate to fraud.
A-5 Identify the types of fraud-fighting careers available today.

GOAL B: The student will understand why individuals commit fraud.

Learning Outcomes: The student will

B-1 Describe the types of people who commit fraud.
B-2 Explain why people commit fraud.
IDEA Objectives:  E = 1, 2
     I = 3, 4

B-3  Describe the fraud triangle.
B-4  Explain how pressure contributes to fraud.
B-5  Explain why people rationalize.
B-6  Understand how people are recruited to participate in fraudulent schemes.

GOAL C:
The student will describe the various ways in which organizations deal with fraud.

Learning Outcomes: The student will

C-1  Explain the different ways that organizations fight fraud.
C-2  Understand the importance of fraud prevention.
C-3  Understand the importance of early fraud detection.
C-4  Understand different approaches to fraud investigation.
C-5  Explain the different options for legal action that can be taken once fraud has occurred.

GOAL D:
The student will describe the ways an organization can prevent fraud.

Learning Outcomes: The student will

D-1  Explain how to create a culture of honesty, openness, and assistance.
D-2  Explain how to eliminate opportunities for fraud.
D-3  Explain how to create an effective organization to minimize fraud.

GOAL E:
The student will identify symptoms and indicators of fraud.

Learning Outcomes: The student will

E-1  Explain how symptoms help in the detection of fraud.
E-2  Identify accounting symptoms of fraud.
E-3  Describe internal controls that help detect fraud.
E-4  Identify analytical symptoms of fraud.
E-5  Explain how lifestyle changes help detect fraud.
E-6  Discuss how behavioral symptoms help detect fraud.
E-7  Explain the importance of tips and complaints as fraud symptoms.
GOAL F:
The student will describe the importance of data-driven detection.

Learning Outcomes: The student will

F-1 Explain the steps in the data analysis process.
F-2 Identify common data analysis packages.
F-3 Understand the principles of data access, including Open Database Connectivity (ODBC), text import, and data warehousing.
F-4 Perform basic data analysis procedures for fraud detection.
F-5 Understand how fraud is detected by analyzing financial statements.

GOAL G:
The student will describe the different methods used for investigation, from surveillance to fraud-constraining controls to electronic and computer searches.

Learning Outcomes: The student will

G-1 Discuss theft investigation methods and how they are used in regard to suspected fraud.
G-2 Understand how to coordinate an investigation, using a vulnerability chart.
G-3 Describe the nature of surveillance and covert operations.
G-4 Explain the effectiveness of invigilation to investigate fraud.
G-5 Explain how to obtain physical evidence and how it can be used in a fraud investigation.
G-6 Explain how to seize and analyze electronic information from cell phones, hard drives, e-mail, and other sources.

GOAL H:
The student will describe how different types of frauds are concealed and how they might be investigated.

Learning Outcomes: The student will

H-1 Describe concealment investigation methods and how they relate to fraud.
H-2 Describe the value of documents and electronic records in a fraud investigation.
H-3 List the different methods of obtaining documentary evidence and how to obtain hard-to-get documentary evidence.
H-4 Describe how to perform discovery sampling to obtain documentary evidence.
GOAL I:
The student will describe ways in which fraudsters spend the money they steal.

**Learning Outcomes:** The student will
- **I-1** Explain why finding out how perpetrators convert and spend their stolen funds is important.
- **I-2** Describe how federal, state, and local public records can assist in following the financial “tracks” of suspected perpetrators.
- **I-3** Access information via the Internet to assist in the investigation of a suspected fraud perpetrator.
- **I-4** Perform net worth calculations on suspected fraud perpetrators and explain how net worth calculations are effective in court and in obtaining confessions.

GOAL J:
The student will discuss the common elements of financial statement fraud or management fraud.

**Learning Outcomes:** The student will
- **J-1** Discuss the role that financial statements play in capital markets.
- **J-2** Explain the nature of financial statement fraud.
- **J-3** Explain how financial statement frauds occur and are concealed.
- **J-4** Describe the framework for detecting financial statement fraud.
- **J-5** Identify financial statement fraud exposures.
- **J-6** Explain how information regarding a company’s management and directors, nature of organization, operating characteristics, relationship with others, and financial results can help assess the likelihood of financial statement fraud.
IDEA Objectives:  
E = 1, 2  
I = 3, 4