

## **A FRAUD AND CORRUPTION CASE STUDY GUIDING LIGHT TEEN PREGNANCY INTERVENTION AGENCY**

*Doug Laufer, Metropolitan State College of Denver, Campus Box 80, P.O. Box 173362, Denver, CO 80217-3362, 303-556-2948, lauferd@adelphia.net*

*Charissa Hammer, Colorado Dept of Human Services, 4120 S Julian Way, Denver, CO 80236, 303-866-732-4351, charissa.hammer@stste.co.us*

### **OVERVIEW AND BACKGROUND**

Until recently the accounting curriculum at most institutions included little or no course content concerning fraud related topics. In February 2002, the Association of Certified Fraud Examiners (ACFE) acknowledged an unprecedented need for fraud examination education at the college and university level. As a result, the Association put out a call to accounting educators to offer a course in fraud examination. In return, the ACFE offered educational materials free of charge [2].

The free anti-fraud education resources materials include: course syllabus and teaching aids, over nine hours of videos that are used in the ACFE's continuing education courses, assistance in locating experts to serve as guest lecturers. Currently, 145 universities world-wide are participating in the Higher Education Program and offering Fraud Examination courses. Another 400 schools have requested the introductory packet from the ACFE [3].

Accounting curricula has changed significantly over the last twenty years. Rote technical memorization has been replaced by an expanded focus on broader business, communication and analytical skills [5]. Accounting educators are continually attempting to develop new and more effective ways to deliver subject matter. The challenge is to provide students with materials that have real world relevance and engage students actively in the learning process. The result is an expanded array of teaching pedagogies that support an active learning approach and that help students develop skills set forth in the AICPA Core Competency Framework (Framework). The Framework details the skills needed for entry into the profession of accounting. Competencies are categorized as functional (technical competencies most closely aligned with the value contributed by accounting professionals), personal (individual attributes and values) and broad business perspective competencies (relating to understanding of internal and external business contexts) [1].

The case method is a pedagogy that provides a process by which students are actively involved in the learning process; utilization of the case method also addresses the core competencies detailed in the framework. There has been a good deal of research that supports the use of the case method in accounting instruction [6]. The case method differs significantly from the traditional lecture-based content teaching approach; the emphasis shifts to the student with a focus on discussions (i.e. communication) and induction (i.e. critical thinking) [7]. To be effective case studies must have real world relevance, be a valuable experience, and be an integral part of the course [4]. Accordingly, the task of successfully utilizing case studies can be daunting.

An opportunity to successfully employ the case method arose due to the ACFE's Higher Education Initiative, specifically through the guest lecturer program. As a result of the program the Director of the Audit Division of the Department of Human Services spoke each semester to a fraud examination class.

The speaker, a CPA and CFE, (Ms. Director) would discuss her career path and also present details about specific fraud cases she had investigated. After a couple of semesters the presentation evolved as Ms. Director wrote case studies based on her experiences and provided them to the students for analysis in advance of her visit.

## **PURPOSE**

The purpose of this paper and the conference presentation will be to share one of the cases utilized in a fraud examination course. The case assignment structure is presented below; case facts, discussion questions will be available to conference participants. The conference presentation should generate discussions among faculty that may facilitate utilization and development of case study material that support fraud education in an accounting fraud examination course.

## **CASE ASSIGNMENT STRUCTURE**

The case assignment was distributed to the students two weeks before the class visit by Ms. Director. The first paragraph of the case handout is provided below:

### **Fraud Examination Case Study - Guiding Light Teen Pregnancy Intervention Agency**

The case studies are based on real life events and circumstances. The names of the employees, the names and locations of the agencies, as well as a few other identifying details have been changed, but the facts and details are the same. In your professional career, you may encounter many situations that on the surface look like fraud, but are they? How you conduct your investigation, what you do with the resulting information, and how you preserve working relationships, are all variables for consideration.

The case was briefly discussed and then the students were divided into groups for the purpose of formulating answers to the discussion questions at the end of the case study. Each group was responsible for preparing written responses to the discussion questions. In addition one student in each group was to be prepared to give a short verbal summary of the decisions and answers of the group. At the next class meeting a portion of the class time was allocated to the groups to allow each group to discuss the case and prepare their analysis.

In completing the case students had to use strategic and critical approaches to decision-making. They must objectively consider issues, identify alternatives. This broadly speaking is decision modeling within the functional competencies skills set of the Framework. The group nature of the case required attention to Framework personal competencies attributes including: communication, problem solving and decision-making skills, interaction, leadership, and project management.

The class meeting that featured Ms. Director began with individuals from two groups presenting their analysis, followed by Ms. Director providing the actual outcome of the case. For students to first think critically about how they would handle a particular situation and then be provided feedback on how the case was actually handled provided a meaningful and significant learning experience. The structure of first presenting “idealistic” classroom solutions followed by what happens in the “real world” made for a very rich question and answer session following Ms. Director’s debriefing on the case.

## CONCLUSION

There is a need to provide students with challenging assignments that escape the one right answer syndrome and require creative, critical thinking. The use of real-world based cases within a small group structure is an excellent vehicle in support of that goal. Finally in this blossoming area of forensic accounting and fraud examination curriculum there is a need to develop and share resources that will be useful in addressing issues related to both course content competencies outlined in the Framework. Hopefully the Guiding Light Teen Pregnancy Intervention Agency Case Study will help meet this need.

## SELECTED REFERENCES

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