

Index

- Access, 119
Accountant, 40–41
Accounting firm, 40–41
Accounting system, 5, 76
Accounts payable, 67–68, 144
Accounts receivable, 17, 75, 135–136,
140, 157
turnover, 61, 63
Accrued liabilities, 144
Accuracy, 92
Acquisition, 149–150
Addiction, 8, 10
Adjustment, 65–66, 98, 110, 111–112,
130, 136, 142, 146
Affinity fraud, 166
American Institute of Certified Public
Accountants, 69
Amway, 168
Analytical:
procedures, 69
review, 60–61, 147
Antar, Sam 140
Arm's length, 149, 156–157
Arrest records. *See* Records, arrest.
Arson, 173–174
Asset:
misappropriation, 106–131
overstatement, 139–143
search, 173
turnover, 61
Association of Certified Fraud
Examiners, 13, 55
Attachment, 183–184
Attorney, 44
Audit, 16–19, 21–22, 68–70, 110
clause, 156
committee, 200
Auditing firm, 40–41
Auditing Standards Board, 69
Auditor, 25, 40–41, 43, 47, 68–70
Authorization, 25, 112, 116
Backdating, 136
Background, 179–180
check, 44, 94–95
Bad debt percentage, 63
Bankruptcy, 81, 84–85, 174–175
Bates stamp, 49–50
Behavior, 8
Bid-rigging, 154–155
Billing, 35–36, 121–123
Board of directors, 43, 200
Bonus, 126–127
Brainstorming, 69
Bribe, 154–155, 160–161
Budget, 28–30, 60, 121, 127, 136
Calculation, 151, 172, 181, 193
Capitalization, 141–145
Cash:
deposit, 159–160
flow, 62, 135
disbursements, 107, 113–129

- Cash (*Continued*)
 receipts, 107–113
 shortage, 112
Certified Fraud Examiner, 45
Certified Public Accountant, 45, 55
Chain of custody, 49
Channel stuffing, 137–138
Check 21, 78
Check tampering, 117–120
Checklist, 17, 47–48
Civil, 83–84, 188
Collusion, 96, 105, 122
Commission, 126–127, 136
Compensation, 33, 81, 91, 126, 154, 200
Competence, 206
Competition, 31, 202–203
Computer forensics, 44, 51, 99
Confession, 100, 103
Conflict of interest, 44, 55, 156
Confidentiality, 104, 186
Confirmation, 104–106, 137
Confronting suspects, 13–14
Consulting, 157
Contingency:
 fee, 35
 plan, 30
Contingent liability. *See* Liability, contingent.
Controller, 2
Controls, 4–6, 199
Cookie jar, 148
Cooper, Cynthia, 2
Corporate:
 records. *See* Records, corporate.
 espionage. *See* Espionage, corporate.
Corruption, 153–162
Cost-benefit analysis, 27
Cost control, 28–30
Cost of goods sold, 64, 140, 146
Court, 41
Court records. *See* Records, court.
Crazy Eddie, 140
Creativity, 15, 106
Credentials, 41, 43, 45
Credit, 65–66, 80–81
Criminal, 83–84, 188–189
Currency Transaction Report, 160
Current ratio, 63
Curriculum vitae, 15
Cut-off testing, 136, 144

Database, 75, 77, 87, 90–91, 122
Days in inventory, 64
Days in receivables, 63
Deadline, 37
Debt to equity, 61, 64
Debt percentage, 64
Deception, 6–7
Deposit, 35, 159–160
Deposition, 15, 191–194
Depreciation, 142
Detection, fraud, 7, 11, 19, 45, 68–70, 97, 105–131, 135, 142–148, 153–162, 164
Digital data, 25, 50–51, 93, 97–98
Direct deposit, 126
Discipline, 44, 186–187
Disclosure, 137, 148–149, 157–158
Discount, 31, 112, 137, 146
Discovery, 23
Document log, 49
Document management, 48–50
Document request, 73–75
Documentation, 24–25, 37, 48–50, 51–52, 73–75
Draft, 184–185
Dumpster diving, 164
Dun & Bradstreet, 90, 123
Dunlap, Al, 138

Earnings management, 134, 152
Education, 14, 207
Employees, 23–24
Engagement letter, 36–38, 204–206
Enron, 150–151
Equipment theft, 129–130
Error, 16
Espionage, corporate, 163–165
Evidence, 23, 44, 50–52, 56, 69, 93, 99

- Expense:
 analysis, 172–173
 report, 26–27, 70–71
 understatement, 143–147
- Expert:
 report, 52, 113–115
 witness, 41, 52, 189
- External audit. *See* Audit
- External auditor. *See* Auditor.
- Extortion, 156
- False pretenses, 164
- Fee, 28–35, 38
- File maintenance, 52–54
- Financial need, 10
- Financial statement, 75
 analysis, 59
 fraud, 4, 133–152
- Fixed assets, 142
- Fixed fee, 32–35
- Float, 112
- Foreclosure, 173
- Foreign Corrupt Practices Act, 160–161, 203
- Foreign investigation, 203–204
- Forensic accountant, 43
- Forensic auditor, 43
- Forgery, 117–118
- Fraud audit, 18–19
- Fraud auditor, 43
- Fraud detection, *See* Detection, fraud.
- Fraud examiner, 43
- Fraud investigation, 43
- Gain, 139
- Generally Accepted Accounting Principles, 68
 Ghost employee, 125–127
- Global investigation, 203–204
- Governance, 200
- Gross profit, 3, 61–62
- Herbalife, 168
- Hidden income. *See* Income, hidden.
- Hoovers, 90
- Horizontal analysis, 60
- Hotline, anonymous, 11, 161, 199
- Hourly fee, 30–32
- Hypothetical, 192–193
- Incarceration records. *See* Records, incarceration.
- Income, hidden, 170–173
- Identity theft, 164
- Independence, 40, 55, 200
- Insurance, 24–25
 coverage, 13,
 claim, 44, 147, 173, 187–188
 fraud, 7, 80, 95–96, 173–174, 180
- Intellectual property, 90, 165
- Integration, 159
- Internal:
 audit, 2–3
 auditor, 43
 controls, 161, 199
 records. *See* Records, internal.
- international investigation, 32, 160, 203–204
- Internet, 75, 91–92
- Interview, 14, 99–104
- Intuition, 9
- Inventory, 17, 140
 test count, 140–141
 turnover, 61, 64
 percentage, 64
 scheme, 64, 129–130
- Investment, 139, 145, 149
 account, 79
 scheme, 165–167
- Irregularity, 2–4, 18, 66, 69, 97, 110, 135, 138, 155
- Insider, 41–43
- Key documents file, 50
- Kickback, 124, 155–156
- Kiting, check, 112–113
- Larceny, 111–112
- Layering, 159

- Law enforcement, 44, 84, 85, 106, 177, 188–189
- Liability:
- contingent, 146
 - professional, 204–206
 - understatement, 143–147
- Licensing, 90
- Lifestyle, 8–9
- Analysis, 171
- Line costs, 145
- Loading, 137–138
- Loan, 79
- forgiveness, 157
- Long-term, 146
- Management, 42–43, 46–47, 69
- Manual disbursement, 67–68, 98, 119
- Marketing, 201–202
- Mary Kay, 168
- Materiality, 17–18, 71
- Medical record, 81
- Merger, 149–150
- Minkow, Barry, 106
- Misrepresentation, 148–149
- Misstatement, 69
- Money laundering, 158–160
- Monitor, 5, 46, 66, 97, 110, 115, 118, 119, 129, 131, 155, 161, 165
- Mortgage, 79, 88
- Motivator, 10
- Multi-level marketing, 168–169
- Negative assurance, 18
- Net worth method, 171–172
- Networking, social, 91
- Noncash scheme, 107, 129–131
- Note-taking, 52–53, 101
- Objectivity, 40, 41–42, 55, 178
- Off-balance sheet, 150–151
- Off-book, 107, 153, 161
- Omission, 148–149
- On top entries, 2–3, 136
- Operating margin, 61
- Opinion, 18, 182–183, 185–186
- Outside audit. *See* Audit.
- Overpayment, 123–125
- Overstatement, 134–143
- Override, 4
- Payroll, 125–129
- Pay-and-return, 123–125
- Payment:
- partial, 137
 - terms, 38, 137
- Phase, 34–35
- Placement, 159
- Police report, 85–86
- Ponzi scheme, 167–169
- Positive:
- assurance, 18
 - pay, 119
- Prevention, 25, 110, 199–201, 207
- Private investigator, 43, 44, 45, 56, 96–97
- Private records. *See* Records, private.
- Proactive investigation, 39–40
- Probate, 84
- Professional skepticism, 16, 69
- Professional standards, 54–57
- Profit margin, 61
- Projection, 198
- Property, 88
- Proposal, 28
- Public company, 27, 90
- Public records. *See* Records, public.
- Pump and dump, 169
- Purchase:
- order, 116
 - personal, 115–116
- Purchasing:
- manager, 121
 - scheme, 64
- Pyramid scheme, 167–169
- Qualifications, 41
- Question, 102–103
- Quick ratio, 63
- Quote, 28–29

- Ratio, 59, 61–65, 135
- Raw materials, 155
- Reactive investigation, 39–40
- Real estate, 79, 81
 - records. *See* Records, real estate.
- Receivable percentage, 63
- Recommendation, 26–28
- Reconciliation:
 - account, 2, 5, 130
 - bank, 4, 119
- Records:
 - academic, 89–90
 - arrest, 85–86
 - bank, 77–79
 - birth, 86–87
 - corporate, 87
 - court, 83–85, 147
 - death, 86–87
 - driver, 89
 - incarceration, 86
 - internal, 75–76
 - motor vehicle, 89
 - online, 85
 - private, 77–82
 - public, 82–91
 - real estate, 88
 - vital, 86–87
 - voter, 87
- Red flag(s), 1, 3–4
- Refund, 117
- Register disbursement, 116–117
- Related party, 84, 95–96, 156–157
- Remediation, 25
- Report, 177–186
- Repossession, 173
- Reserve, 147–149
- Responsibility, 37
- Restatement, 13
- Retainer, 35
- Return, 112, 136, 137
- Revenue:
 - overstatement, 134–137
 - unearned, 145
- Round-tripping, 138–139
- Sales return percentage, 62
- Sales tax. *See* Tax, sales.
- Sample, 17, 115
- Sarbanes-Oxley Act, 69
- Scope, 25, 26, 37, 56
- Search engine, 91–92
- Secrecy, 24
- Securities and Exchange Commission,
 - 3, 18, 76, 94, 138, 147, 148, 170
- Securities fraud, 169–170
- Segregation of duties, 4, 110, 124, 199
- Sex offender, 86
- Shaklee, 168
- Shell company, 96, 120–121, 122
- Short and distort, 169–170
- Short-term, 146
- Sick leave, 125
- Situational fraudster, 10
- Skimming, 108–111
- Social engineering, 164
- Software, 54, 60, 97, 111, 112, 155
- Special investigator, 43
- Statement on Auditing Standards No.
 - 99, 69
- Stock, 90
- Subpoena, 77
- Subsequent event, 149
- Sunbeam, 138
- Supervision, 22, 39, 46–47
- Surprise, 109–110
- Surveillance, 44, 45, 96–97
- Suspect, 23
- Suspension, 23
- Tax:
 - court, 85
 - lien, 81, 88–89
 - return, 75, 80
 - payroll, 127–129
 - sales, 80, 89
 - withholding, 89, 127–128
- Technical skills, 41
- Termination, 23, 38, 187
- Testifying, 15, 41, 56, 189–195
- Testimony, 52, 179, 184, 189–195

- Third party, 74, 77, 105
- Tips, 1, 7–8, 11–12
- Transcript, 192, 194
- Transfer:
 - asset, 129
 - funds, 77–78, 160
- Travel, 114
- Trend analysis, 111
- Trojan horse, 164
- Turnover, 61–64, 169

- Uniform Commercial Code,
 - 88
- Unrealized loss, 139
- Unreconciled accounts, 2
- Up front fee, 36

- Vacation, 125
- Valuation, 139, 141

- Variance, 121–121
- Vendor:
 - fake, 120–121
 - list, 120
 - payment, 4, 67–68
- Vertical analysis, 60–61
- Virus, 164
- Vital records. *See* Records, vital.
- Void, 108, 110, 111–112, 117

- Warranty, 146–147, 151
- Witness, 42, 56
- Work history, 14
- Work papers, 21
- Work program, 17, 43, 47–48
- WorldCom, 2, 145
- Write-down, 139
- Write-off, 65–66, 98, 110, 130, 136, 141, 146, 155, 157

<http://www.pbookslib.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>