

**INDIANA UNIVERSITY**  
**Request for a New Academic Program**

**Campus:** East

**Proposed Type (minor, certificate, etc.) and Title of Program:** Financial Forensic Investigations  
Minor

**Proposed Date of Implementation:** Fall 2012

**I. Why is the program needed? (Rationale)**

According to a 2010 global study conducted by the Association of Certified Fraud Examiners (ACFE), the typical organization loses 5% of its annual revenue to fraud, which translates to potential losses of \$2.9 trillion. The median loss in the study was \$160,000 and about 25% of the frauds reported involved losses of at least \$1 million. The study also suggests that small businesses are especially vulnerable to fraud because they tend to be lacking in anti-fraud controls. The respondents in the survey expect fraud to increase in their organizations.

Because of expected increase of fraud, graduates with a foundational knowledge of how to deter and detect fraud will likely be in demand. The minor introduces the field of fraud investigations and provides the background students would need to sit for the Certified Fraud Examiner (CFE) exam, which provides additional credentials to graduates.

**II. List major topics or curriculum of the program.**

The major topics in the minor correspond with the major topics covered on the CFE exam: Fraud Prevention and Deterrence, Fraud Investigation, Financial Transactions, and Legal Elements of Fraud. The following topics are covered in each of the topic areas:

Fraud Prevention and Deterrence

- Psychology of fraud
- Fraud prevention
- Crime causation
- White collar crime
- ACFE code of ethics

Fraud Investigations

- Interviewing
- Taking statements
- Researching public records
- Tracing illicit transactions
- Evaluating deception

- Report writing

Financial Transactions

- Basic accounting
- Auditing theory
- Fraud schemes
- Internal controls

Legal Elements of Fraud

- Criminal and civil law
- Rules of evidence
- Rights of the accused and accuser
- Expert witness matters

**III. List the major student outcomes (or set of performance-based standards) for the proposed program.**

Upon completion of the Financial Forensic Investigations Minor, students will be able to:

- Develop strategies to deter and detect fraud
- Create a plan to investigate alleged fraud
- Evaluate the internal controls of a firm
- Apply criminal and civil law to fraud cases
- Obtain a professional certification such as the CFE

**IV. Explain how student outcomes will be assessed (course-embedded assessment, graduate follow-up, employer survey, standardized tests, etc.).**

Student outcomes will be assessed using course-embedded tools such as case studies, exams, and assignments. Where appropriate, questions taken from the CFE exam will be included in course exams to help students prepare for the certification exam. Additionally, the pass rates of graduates on the CFE exam will be collected.

**V. Describe the student population to be served.**

This minor will be attractive to both business and criminal justice students and will prepare them for careers that integrate both fields. The minor in Financial Forensic Investigations will prepare students for possible careers in forensic accounting, forensic examinations, and fraud investigations. The minor will most likely appeal to students in Certified Public Accountant (CPA)-track concentration to the Business Administration degree as they can use it to earn the additional 30 credit hours needed to sit for the CPA exam. The minor will also allow the Criminal Justice majors to prepare for additional career paths.

**VI. How does the program complement the campus or department mission?**

The minor complements the campus mission by adding to the range of programs available to students. It complements the mission of the School of Business by preparing graduates for professional careers and leadership in an area that is crucial to business, the deterrence and detection of fraud. The minor complements the mission of the School of Humanities and Social Sciences by helping students to understand the human and legal element of fraud.

**VII. Describe the relationship to existing programs within Indiana University.**

The minor in Financial Forensic Investigations integrates content from the Business and Criminal Justice fields to introduce students to the study of financial forensic investigations. In order to deter and detect fraudulent activities, Fraud Examiners must have understanding of how businesses operate, the legal system, accounting systems, the types of fraud, and why people commit fraud.

**VIII. List and indicate the resources required to implement the proposed program. Indicate sources, e.g. reallocation or any new resources such as personnel, library holdings, equipment, etc.**

A relationship with the Association of Certified Fraud Examiners (ACFE) will provide numerous materials free of charge. Current library holdings in the business and criminal justice fields should be sufficient for the minor. Additional adjunct faculty may be needed to teach the new courses. A forensic accountant in the local area has expressed interest in developing and teaching the courses online.

**IX. Describe any innovative features of the program (e.g. involvement with local or regional agencies, offices, etc., cooperative efforts with other institutions, etc.).**

The ACFE provides numerous materials and support for colleges and universities that provide at least one course in Fraud Examination. Additionally, the ACFE will market the program on its website. Educator members of the ACFE can attend one conference or workshop per year at no cost and can attend as many other conferences and workshops as they wish at half price. This membership includes a review course for the CFE exam.

<u>Required Courses</u>	<u>Cr Hrs</u>
CJUS-P 457 <i>Seminar in White Collar Crime</i>	3
CJUS-P 320 <i>Criminal Investigation</i>	3
BUS-A 201 <i>Introduction to Financial Accounting</i>	3
BUS-A 318 <i>Fraud Examination I</i>	3
BUS-A 350 <i>Principles of Forensic Accounting</i>	3
CJUS-P 376 <i>Procedural Criminal Law</i>	3
BUS-A 465 <i>Financial Investigations</i>	<u>3</u>
Total Credit Hours	21

Students who are not Criminal Justice majors should take CJUS-P100 and CJUS-P200 toward the Social Science electives in General Education requirements. CJUS P100 may be a pre-requisite for other required CJUS courses in the minor.

The total hours for the minor will include courses that are already part of both Business and Criminal Justice majors' curriculum.

The BUS-A 201 course is part of the business core. This leaves an additional six courses to earn the minor.

Criminal Justice majors are required to take, CJUS-P100, CJUS-P 200, CJUS-P 320, and CJUS-P 376. The additional courses needed for the minor are CJUS-P457: Seminar in White Collar Crime and the BUS courses (5 courses).

#### New Courses

##### BUS-A 318 Fraud Examination I

Fundamentals of fraud examination including identifying the nature and types of fraud, creating systems to prevent fraud, and investigating and resolving fraudulent activities.

##### BUS-A 350 Principles of Forensic Accounting

Provides an introduction to Forensic Accounting including internal controls, financial statement analysis, auditing techniques, and systems used to detect financial fraud.

##### BUS-A 465 Financial Investigations

Capstone course for Minor in Financial Forensic Investigations. Topics covered include managing fraud investigations, interviewing, taking statements, researching public records, and report writing.