

Solutions Manual for Forensic and Investigative Accounting 9th Crumbley

Chapter 1

Introduction to Forensic and Investigative Accounting

CHAPTER SUMMARY

Overview

This chapter defines a broad approach to forensic accounting and creates a frame of reference for students to read and understand the rest of the book. Upon tracing the threads of forensic accounting through its history and development, students will understand forensic accounting to be a challenging discipline that substantially interacts with economics, finance, information systems and the law.

Definition and Development of Forensic Accounting

¶1001 Defining Forensic Accounting

Forensic accounting is the action of identifying, recording, settling, extracting, sorting, reporting, and verifying past financial data or other accounting activities for settling current or prospective legal disputes or using such past financial data for projecting future financial data to settle legal disputes.

Implicitly, there are a couple of other factors to incorporate in the definition: time and purpose. Forensic accounting focuses on the past, although it may do so in order to look forward. Forensic accounting is accounting performed in some circumstances for a specific legal forum; in other circumstances it is accounting performed in anticipation of presentation before a formal forum.

Forensic accountants may be employed in a wide variety of risk management engagements, along with areas such as valuation, damages, intangibles, bankruptcy, and so on.

¶1011 Historical Roots of Accounting

The history of accounting dates back to temple priests taking inventory of livestock and has evolved through time to such present events as the examination requirements for the CPA certificate being passed by all states.

¶1021 History of Financial Reports and Legal Challenges

Financial reports on business operations and performance were created by accountants in the United States, Canada, and Europe for a long time before actual independent audits were mandated. The current system of accounting checks and balances—financial reporting coupled with both internal and external auditing—is relatively recent. Before financials were audited by independent outside experts, the courts were often the place where challenges were made, and accounting experts were brought in to give testimony on the disputes in question.

¶1031 Threads of Forensic Accounting

Forensic accounting (or at least, accounting expert witnessing) can be traced as far back as 1817 to a Canadian court decision of *Meyer v. Sefton*. Thus, the website of the Association of Certified Forensic Investigators of Canada maintains that the field of forensic and investigative accounting had its genesis in Canada. Seven years after the Canadian case, on March 12, 1824, a young accountant by the name of James McClelland started his business in Glasgow, Scotland, and issued a circular that advertised the various classes of forensic type work he was prepared to undertake.

¶1041 Accounting Literature Parallels Accounting Practice

With the development of accounting literature, the role of the accountant as an expert witness was getting growing attention. Articles on the topics of forensics, arbitration, fraud, investigation, and expert witnesses started appearing in the late 19th century. Cleveland Bacon and Alex Moore each contributed articles about expert witnesses.

¶1051 The Phrase "Forensic Accounting" Is Born

The first person to coin the phrase in print was probably Maurice E. Peloubet in 1946. Kenneth W. Robinson suggested that there is teamwork to be done by lawyers and accountants. In the following year, George B. Pearson, Jr., a former judge, gave 10 warnings to the accountant who wishes to do a good job on the witness stand. Max Lourie, a lawyer employed in the New York Supreme Court published an article in which he suggests that he probably invented the term forensic accounting, although his article appeared seven years after Maurice E. Peloubet had apparently coined the term. In 1964, Philip J. Gallagher in the *Journal of Accountancy* suggested that an accounting expert witness must be able to define the basic concepts of the profession and be able to explain accounting terminology.

Forensic Accounting and Investigative Accounting Come of Age**¶1061 The Forensic Accountant Becomes an Investigator**

Once accrual accounting took hold and the role of external auditor became much broader based and control-oriented than transaction-oriented, there developed a need for a fraud auditor—a specialist who would ferret out deception in financial statements and reporting. Gradually the definition of forensic accounting expanded from the accountant who testifies in court to the investigative accountant as Peloubet chronicled. The forensic accountant learned to detect fraud itself, not merely to testify about it. Perhaps nowhere is this more evident than in the use of accountants and forensic accounting skills by the FBI.

¶1071 FBI and Forensics

According to Lee R. Pennington, during the period of hostilities in WWII, the FBI employed a total of 500 agents who were accountants. In 1960, J. Edgar Hoover began to emphasize fraud detection. Agents investigated violations of the Federal Reserve Act, check kiting, embezzlements, fraud in government contracts, criminal investigations under the National Bankruptcy Act, various civil investigations, fraudulent check schemes, securities frauds, confidence game swindles, embezzlements, false bills of lading, fraudulent bankruptcies, false claims, and various frauds perpetrated against the government. Today there are more than 600 FBI agents with an accounting background, and many are CPAs. The FBI today has a Financial Crimes Section that investigates money laundering, Internet crimes, financial institutions fraud, and any other economic crime.

¶1081 First Forensic Accounting Books in United States

The first forensic accounting book appeared in 1982, written by Francis C. Dykeman, a retired partner of Price Waterhouse. Four years later in 1986, Kalman A. Barson published a second forensic book entitled *Investigative Accounting*. In 1987, a third book was published entitled *Fraud Auditing and Forensic Accounting: New Tools and Techniques*.

¶1091 AICPA Practice Aid

In 1986, the AICPA broke forensic accounting into two broad areas: investigative accounting and litigation support. The Institute issued Practice Aid 7, which outlined the six areas of litigation services: damages, antitrust analyses, accounting, valuation, general consulting, and analyses.

¶1101 American Management Association Course

The American Management Association at one time offered a self-study course, "Forensic Accounting and Financial Fraud," which broke forensic accounting into four broad areas: pretrial support, trial support, expert witnessing, and settlement support.

¶1111 The Panel on Audit Effectiveness

The Public Oversight Board (an independent private sector body created in 1977) appointed the Panel on Audit Effectiveness in 1998 at the request of then SEC Chairman Arthur Levitt to review and evaluate how independent audits of

the financial statements of public companies are performed and to assess whether recent trends in audit practices serve the public interest. The Panel conducted the most exhaustive study ever undertaken of the audit model and on September 6, 2000, released a report of more than 200 pages entitled *Report and Recommendations*. The report's goal is to foster more effective audits that improve the reliability of financial statements, enhance their credibility, contribute to investors' confidence in the profession, and improve the efficiency of the capital markets.

¶1121 AICPA Fraud Task Force Report

In 2003, the AICPA's Litigation and Dispute Resolution Services Subcommittee issued a report of its Fraud Task Force entitled "Incorporating Forensic Procedures in an Audit Environment." The task force paper provides guidance to practitioners in applying procedures in an audit environment in light of the Sarbanes-Oxley Act and newly issued AICPA Statement on Auditing Standards (SAS) No. 99, Consideration of Financial Fraud in Financial Statement Audit.

The AICPA takes the position that auditors are not required to carry out specific forensic procedures, but rather provide guidance on how to include forensic techniques within the SAS 99 process. Public accountants may need to use forensic accountants in certain circumstances.

¶1131 Controversy Surrounding the Accountant's Role in Fraud Detection

In the early 1980s, companies began to use computers to perform their record keeping, and intense competition caused the auditing fees to fall as much as 50 percent from the mid-1980s to the mid-1990s. Thus, auditors had to cut costs by reducing the labor-intensive process of reviewing hundreds of corporate accounts. They grew more reliant on internal controls and worked less with account balances and entries. Because top executives can circumvent internal controls, they could manipulate the records and cook the books.

Accounting experts debate the role of auditors in uncovering fraud and hold many different views. Some believe that every audit engagement should include much more skepticism and detailed review of transactions. Others suggest that only special engagements specifically targeting fraud can adequately and effectively root out the problem.

¶1135 American Accounting Association Forensic Accounting Section

A new Forensic and Investigative Accounting (FIA) section of the American Accounting Association was created in 2009 by Larry Crumbley. This FIA section is dedicated to the continual improvement of forensic accounting research and education, through the encouragement, development, and sharing of:

- The promotion and dissemination of forensic and investigative academic and practitioner research.
- The relevant and innovative curricula with an emphasis on effective and efficient instruction.
- The exploration of knowledge-organizational issues related to forensic accounting programs.
- The creation and presentation of CPE courses to members and professionals.

The AAA Forensic section changed its name to the Forensic Accounting Section in 2014.

¶1141 Foreign Corrupt Practices Act

Enacted in 1977, the FCPA prohibits corrupt payments to foreign officials for the purpose of obtaining or keeping business or directing business to anyone. These laws apply to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. Companies whose securities are listed in the United States must meet the FCPA. Also, the FCPA prohibits corrupt payments through intermediaries.

¶1143 Securities Whistleblower Incentive and Protection Provisions of Dodd-Frank

The SWIP provisions provide financial incentives for employees and other whistleblowers to report to the SEC suspected violations of the federal securities laws by private companies or their subsidiaries. Eligible whistleblowers can receive bounty awards equal to 10 to 30 percent of the monetary sanctions imposed by the SEC.

¶1146 AICPA's Standards for Forensic Services

The AICPA's Statement on Standards for Forensic Services (SSFS No. 1) is effective for engagements accepted on or after May 1, 2019, and AICPA members must be prepared to justify departures from the new standards. SSFS No. 1 covers definition of forensic accounting, standards members must follow, advocacy, contingent fees, conflicts of interest, and other matters.

¶ 1148 Conclusion

The computer helped direct a revolution in accounting because business transaction volume grew to such an extent that it was impossible for accountants to examine each transaction. Internal controls, determining risks, and sampling became the focus. Unfortunately, unethical managers learned to skirt the modern controls; thus, weaknesses in the modern risk control and sampling approach grew during the 1990s and became even more apparent in the first few years of the 21st century. For broad-based, system-wide relief from today's financial scandals, many suggest that the weaknesses can be attacked successfully in repositioning the auditing engagement and mandating more stringent ethical and independence requirements to start.

SOLUTIONS TO CHAPTER EXERCISES

1. In commerce or business, forensics are generally those things that relate to a legal forum or court. The term "forensic" is Latin, meaning forum, a public place, or court. Some use it interchangeably for fraud (i.e., forensic audit).
2. There are many definitions, such as the action of identifying, recording, settling, extracting, sorting, reporting and verifying past financial data or other accounting activities for setting current or prospective legal disputes or using such past financial data for projecting future financial data to settle legal disputes. Forensic accounting may be broken into two broad categories: investigative accounting and litigation supports.
3. Time (past), purpose (gather evidence for possible trial) and peremptory (both pro-active and reactive).
4. A forensic audit is often different than a typical financial audit. A financial audit is generally a sampling activity that does not look at every transaction. Thus, the system can be exploited by someone, such as an executive, who knows how to "cook the books."

A forensic audit looks at the details of a specific aspect of the records, trying to determine why everything does not or should not add up. Thus, a forensic audit is much more time-consuming and can be significantly more expensive than a regular financial audit. Doug Carmichael, former Chief Auditor for PCAOB, faults auditors for not adopting forensic techniques. He wishes more tests of detail, not relying on tests of controls.

5. Hercules De Cordes, a schoolmaster and bookkeeper in Antwerp.
6. The IRS developed a number of indirect techniques to catch taxpayers not paying their taxes (e.g., net worth method, cash T, bank deposit method). An instructor may wish to discuss the Al Capone indictment.
7. Frank Wilson was assigned to investigate Al Capone. Wilson found the smoking gun in the form of an accountant's cash receipts ledger showing net profits from a gambling house, with Al Capone's name on it. Capone dealt in cash only.
8. Canada.
9. James McClelland, a Scottish accountant in Glasgow, Scotland in 1824.
10. Buscabeatas, a pumpkin and tomato farmer, who used the green stems from his stolen pumpkins to prove who had stolen his pumpkins.
11. New York State.
12. American Association of Public Accountants.
13. (a) Evidence, and (b) Arbitration and Awards.

14. England, 1856.
15. Arthur Andersen.
16. Enron (and also WorldCom).
17. Investigative accounting and litigation support.
18. Maurice E. Peloubet, a New York City accountant, in 1946.
19. Investigative-type accountants; forensic accountants; SEC accountants; FBI agents.
20. World War II.
21. J. Edgar Hoover.
22. Francis C. Dykeman, *Forensic Accounting: The Accountant as Expert Witness*, 1982.
23. *Investigating Accounting*, 1986, Katman A. Barson, Van Nostrand Reinhold.
24. *Fraud Auditing and Forensic Accounting: New Tools and Techniques*. Many of the behavioral considerations about fraud lurk beneath the surface like an iceberg, posing a danger to an unsuspecting auditor.
25. e. Decisions on the case.
26. Antitrust, commercial contracts, patent infringement, trademark and copyright infringement, product liability, mergers and acquisitions, insurance claims, shareholder suits, reorganization and bankruptcy, taxation, malpractice, and corporate fraud.
27. Students will need to find this answer on the internet or in Chapter 4:
 - Recounts of inventory items or unannounced visits to location.
 - Interviews of financial and nonfinancial company personnel in different areas or locations.
 - Requests for written confirmations from company employees regarding matters about which they have made representations to the auditors.
 - Requests for written confirmations from customers or vendors that otherwise would not be undertaken and that are carefully tailored to address the nature and specific terms of the underlying transactions.
 - Tests of accounts not ordinarily performed annually.
 - Tests of accounts traditionally or frequently deemed "low risk."
28. Complete answer found by searching the internet, and also in Chapter 4.

The forensic-type fieldwork phase of an audit does not mean converting a traditional audit to a "fraud audit." Rather, the characterization of this phase of an audit as a forensic-type phase seeks to convey an attitudinal shift in the auditor's degree of skepticism, according to the Panel of Audit Effectiveness. During this phase, auditors should modify the otherwise neutral concept of professional skepticism and presume the possibility of dishonesty at various levels of management, including collusion, override of internal control and falsification of documents. The key question that auditors should ask is "Where is the entity vulnerable to financial statement fraud if management were inclined to perpetrate it?" In this phase, auditing standards should require performance of substantive tests directed at the possibility of fraud, including tests to detect the override of internal controls by management. The tests should be centered on the balance sheet date for balance sheet accounts and throughout the year (including the latest quarter) for income statement accounts.
29. e. All of the above.
30. AICPA consulting standards. Instructors may wish to cover SSFS No. 1.

31. Accountants stopped auditing the details and began looking at and auditing the controls. They began using computer programs and engaging in top-down auditing rather than bottom-up auditing. Executives learned how to skirt the modern controls. See the material about WorldCom and the \$647 million entry.
32. Xerox pumped up its earnings by placing into income certain cushion reserves originally established for other purposes. KPMG missed it, and the \$500 million was caught by an internal auditor (after the next auditor suggested there should be forensic-type audits in certain areas).
33. Arthur Andersen missed on their external audit of WorldCom the shifting of at least \$3.8 billion of operating expenses to capital accounts.
34. Students' answers will vary. As of May 17, 2019, 2.68 million hits were found on the Google search engine with the term "litigation support" and 588,000 hits were found with the term "litigation services." "Accounting litigation services" returned 5,520 hits, and "forensic accounting" received 2.97 million hits. "Fraud examination" returned 938,000 hits, and "accounting litigation support" found 122,200 hits. The terms were submitted with quotes.
35. This question requires students to visit the Kessler International website. Michael G. Kessler claims to be the first forensic accountant.
36. On Voldal Wartelle & Co. website:

Some folks described forensic accountants as the guys who come onto the battlefield after the war has been fought and shoot the survivors. We have a somewhat different view of it. Forensic accounting is the art of coming into the situation after the fact and carefully determining the financial effects of what happened or the reasons why a particular thing happened.

<http://www.vwc.org/pages/forensic.html>

On Investopedia.com:

Forensic accounting utilizes accounting, auditing and investigative skills to conduct an investigation into a company's financial statements in order to provide an accounting analysis that is suitable for court.

Sequence-inc says:

Forensic accounting is a specialty that integrates accounting, auditing, and investigative skills. An alternative term for this field of work is investigative accounting. A forensic accountant looks at documents in a critical manner to draw conclusions and calculate values. Forensic accountants often analyze insurance claims, calculate damages, and evaluate fraudulent situations.

<http://www.sequence-inc.com>

37. There is no formal answer for this question.
38. A student can find at least 25 colleges and universities that have a forensic accounting or fraud program. Some examples are:
 - Carlow University
 - Florida Atlantic University
 - Franklin University
 - Georgia Southern University
 - Roosevelt University
 - University of South Florida, St. Petersburg
 - Utica College
 - West Virginia University

A number of colleges and universities offer online courses.

See M. Seda and B.P. Kramer, "A Comparison of U.S. Accounting Programs with the National Institute of Justice Funded Model Curriculum," J. of Forensic & Investigative Accounting, Vol. 7: Issue 2, July-December 2015, pp. 144-177.

39.

- a. Payment fraud reached a new high.
- b. Check payments with 75% of respondents.
- c. Ranked third.
- d. 67%.

40. There is no formal answer for this question.

41. As of May 9, 2019 (must use quotation marks when searching):

- a. 5,470,000.
- b. 199,000
- c. 218,000
- d. 1,050,000

42. There is no formal answer for this question.

43. RSM's fraud and forensic accounting services include:

- Fraud prevention and investigation
- Corporate integrity and security arrangements reviews
- Computer forensic investigations in criminal cases, civil litigation, and employment proceedings
- Assessment of loss of profit and earnings claims
- Quantification of commercial claims
- Valuation of businesses including partner and shareholder disputes
- Assessment of matrimonial disputes
- Investigation and recommendations in professional negligence claims
- Quantification of benefit and available assets in confiscation matters
- Royalty and licensing audits

44. No formal answer given.

45. Plagiarism is fraud.

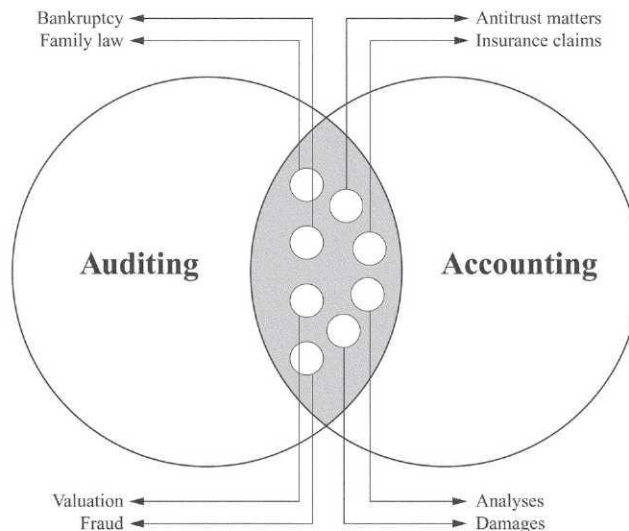
46. No formal answer given.

47. This report takes a very narrow position of the definition of forensic accounting, basically equating it to fraud investigation. We believe that forensic accounting's scope is much broader than fraud detection. Even in the area of fraud, a forensic accountant may be employed in a wide variety of risk management engagements within business enterprises as a matter of right, without the necessity of allegations. In other words, predication is not an absolute step in forensic accounting practice, so that the practice is preventive and proactive.

Regrettably, West Virginia University used a \$600,000 grant to develop a narrow Model Curriculum for training university students in fraud and forensic accounting. In fact, the report is an investigative curriculum and not a forensic curriculum. For example, the report gives nine "Model Curriculum Working Definitions" and eight of the nine involve fraud. The report does define forensic accounting as "the application of accounting principles, theories and discipline to facts or hypotheses at issue in a legal dispute and encompasses every branch of accounting knowledge." There are no definitions for valuation, damages, lost profits, lost value, litigation services, and so on.

A graphic provided in the report demonstrates the narrow approach taken, and one wonders how a 14-member planning panel could have accepted such a graphic. The report states that the "level of overlap between forensic accounting and fraud may be larger than depicted here." At least four of the 14 members of the planning panel were CFEs, and there were no representatives of CRFACs, CFDs, MAFFs, CVAs, or CFSs.

Although one may argue as to how small the fraud circle should be with respect to areas such as valuation, damages, bankruptcy, family law, general consulting, analyses, and anti-trust analyses (some of the 31 categories in the 1986 AICPA Practice Aid No. 7), a corrective graphic should appear somewhat as shown below.



48.

- a. Senior editor: D. Larry Crumbley. Associate Editors: Christine Crawford-Cheng, Cindy Durtschi, Edmund Fenton, Jr., and Hugh Grove.
- b. 28, up to Vol. 11, No. 2.
- c. Answers will differ.
- d. William Hopwood, Carl Pacini, George Young.

49. A recent report called "Serving Global Capital Markets and the Global Economy" makes this statement.

50. The AICPA does not require auditors to carry out specific forensic procedures, but rather provides guidance on how to include forensic techniques within processes outlined in SAS 99. This combination will enhance the detection and prevention of fraudulent financial statement reporting and misrepresentation of assets, thus protecting investors and financial statement users.

Public accounting firms could use forensic accountants to help revise their approach to planning and fieldwork on all audits, while requiring forensic accountants only on high risk audit clients to aid in the interpretation of forensic testing results and preventive control enhancements.

51. d

52. b

53. c

54. a

55. e

56. a

57. d

58. d

59. The search results are:

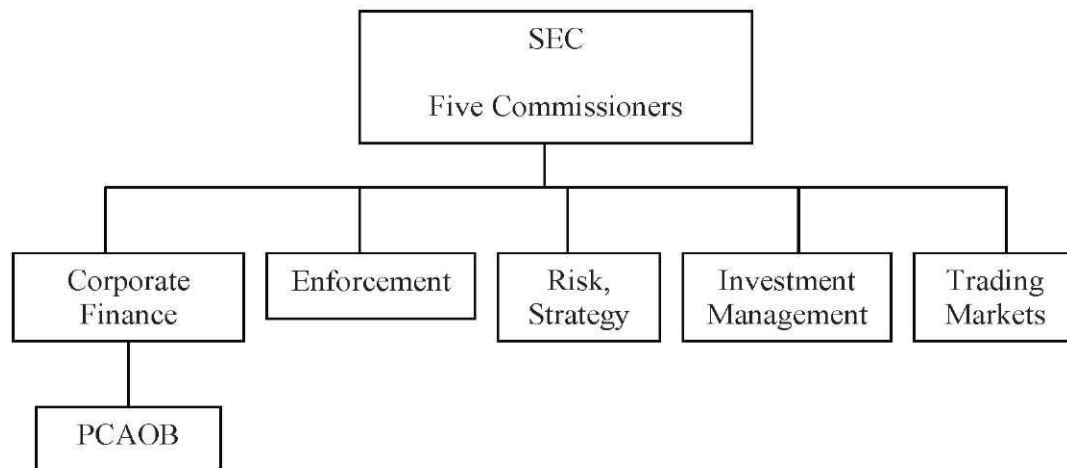
- a. Robert Pfaff, ex-KPMG partner was sentenced to 97 months in prison and ex-KPMG senior tax manager was sentenced to 121 months after they were convicted on tax evasion charges billed as the largest tax-shelter fraud case in U.S. history (4-1-2009).
- b. Adrian Dicker, former chairman of BDO Seidman, pleaded guilty to tax fraud with respect to tax shelters. He faces a maximum sentence of five years (5-17-2009).

60. Answers will vary.

61. Answers will vary.

62. Adam Wheeler, a 24-year-old student, conned his way into Harvard with a string of lies and benefited from more than \$40,000 in grants and prizes. His resume boasted the authorship of two books and co-authorship of four others.

63.



64. A 10K Report must be filed annually that contains a substantial amount of information, including the financial statements. A 10Q Report is a quarterly financial report sent to the SEC, containing similar information as the 10K Report (but with less detail).

65. Charles Ponzi (\$10 billion).

Bernard Madoff (\$65 billion).

Tom Petters (\$3.65 billion).

Monroe Beachy (\$17 million).

Roberto Heckscher (\$52 million).

Norman Hsu (\$60 million).

R. Allen Stanford (\$7 billion).

Nevin Shapiro (\$930 million).

Martin Armstrong (\$700 million).

From Ponzi Schemers: From the pen house to the Big House

66. An instructor could test students to determine if they listened to the videos
67. An instructor could test students to determine if they watched the movie or listened to the YouTube video.
68. The purpose of the FCPA is to combat corrupt business practices such as bribes and kickbacks. Thus, for more than 35 years these foreign bribery laws in the United States have restricted all U.S. employees, regardless of where the business is conducted.

The FCPA prohibits corrupt payments to foreign officials for the purpose of obtaining or keeping business or directing business to anyone. These laws apply to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. Companies whose securities are listed in the United States must meet the FCPA. Also, FCPA prohibits corrupt payments through intermediaries.

69. Siemens, Germany, \$800 million.
70. The OECD provides a forum for its 34 member countries to meet and share common problems, seek solutions, compare policy experiences, identify which new policies and laws are effective, and coordinate international policies between members.

The OECD compares and measures data on a wide variety of topics including school systems, pension systems, taxes, average leisure time, the global flows of trade and investments and many others. The OECD also works with businesses, trade unions, labor unions, and with other representatives of civil society to help develop policies that will benefit the citizens and the economies of its member countries. The organization also attempts to implement policies to make life harder for terrorists, tax dodgers, crooked businessmen, and others who undermine a fair and open society.

The OECD uses peer pressure to implement and improve policies and set standards which member countries then adopt.

71. The owner of the robotic company, played by John Lithgow. Wolff was using his strip center to launder his money.
72. In 2018, 16 companies paid about \$3 billion to resolve FCPA cases, one of the biggest enforcement years in FCPA history. Petrobras at \$1.78 billion was at the top of the list.
73. a. \$519 million total settlement. The second largest disgorgement (\$236 million).
- b. 2004.
- c. Russia, Mexico, and Ukraine.
- d. Some were concealed as legitimate payments to distributors.
- e. Israel.

74. Document examiners, case processing technicians, and program managers.
- Handwriting comparisons;
 - Fractured/cut edge comparisons (paper, tape, postage stamps, dryer sheets);
 - Plastic bag comparisons;
 - Printing process examinations (document authentication/typewriting classification);

- Charred and liquid-soaked document preservation;
- Indented writing examinations;
- Alternate light source examinations (ink discrimination, alterations, enhancements);
- Office machine artifact comparisons;
- Tire tread and shoeprint comparisons/classification;
- Database queries (Anonymous Letter File, Automated Counterfeit Identification Database, Bank Robbery Note File, Tire Tread and Shoe Print Databases);
- Testimony in legal proceedings; and
- Training to counterparts in law enforcement.

<https://www.fbi.gov/services/laboratory/scientific-analysis/questioned-documents>

75. b

76. a

77. b

78. Kautilya's ways to embezzle:

- What is realized earlier is entered later on.
- What is realized later is entered earlier.
- What ought to be realized is not realized.
- What is hard to realize is shown as realized.
- What is collected is shown as not collected.
- What has not been collected is shown as collected.
- What is collected in part is entered as collected in full.
- What is collected in full is entered as collected in part.
- What is collected is of one sort, what is entered is of another sort.
- What is realized from one source is shown as realized from another.
- What is payable is not paid; what is not payable is paid.
- Not paid in time.
- Paid untimely.
- Small gifts made large gifts.
- Large gifts made small gifts.
- What is gifted is one sort while what is entered is of another.

- The real donee is one while the person entered (in the register) as donee is another.
- What has been taken into (the treasury) is removed while what has not been credited to it is shown as credited.
- Raw materials that are not paid for are entered, while those that are paid for are not entered.
- An aggregate is scattered in pieces.
- Scattered items are converted into an aggregate.
- Commodities of greater value are bartered for those of small value.
- What is of smaller value is bartered for one of greater value.
- Price of commodities enhanced.
- Price of commodities is lowered.
- Price of rights increased.
- Price of rights decreased.
- The year not in harmony with its months.
- The month not in harmony with its days.
- Inconsistency in the transactions carried on with personal supervision.
- Misrepresentation of the source of income.
- Inconsistency in giving to charities.
- Incongruity in representing the work turned out.
- Inconsistency in dealing with fixed items.
- Misrepresentation of test marks or the standard of fitness (of gold and silver).
- Misrepresentation of prices of commodities.
- Making use of false weights and measures.
- Deception in counting articles.
- Making use of false cubic measures – these are the several ways of embezzlement.

Listed in Chetan Dalal, *Novel and Conventional Methods of Audit, Investigation, and Fraud Detection*, Chicago: Wolters Kluwer, 2008, 576 pp.