

**Journal of Forensic
Accounting Research**

A Publication of the Forensic
Accounting Section of the American
Accounting Association



**American
Accounting
Association**
Forensic Accounting

Journal of
December 2018
Forensic

Accounting Research

Information Packet

INTRODUCTION

The objectives of the *Journal of Forensic Accounting Research (JFAR)* are to promote excellence in the research, teaching, and practice of forensic accounting, with a balance among basic research, practice, and education. In addition, forensic accounting research is to be broadly conceived, and not limited to fraud research. Appropriate topics for the journal include, but are not limited to:

- Behavior and judgment in forensic accounting
- Business valuation
- Computer forensic analysis
- Consumer frauds (online, other)
- Corruption (corporate, governmental, Foreign Corrupt Practices Act)
- Cross-cultural issues in fraud
- Data analytics
- Expert witness activities
- Ethics (judgment, behavior)
- Fraudulent financial reporting
- Fraudulent accounting research
- Governance and fraud
- Insurance recovery
- Internal controls/COSO/ERM
- Investment scams
- Litigation support/services
- Pattern recognition and anomaly detection
- Professional regulation and policy issues
- Psychology and social psychology of fraud
- Tax fraud (individual or corporate)
- Technology for detecting, investigating, or committing fraud
- Theft of corporate assets (by employees, managers, third parties)

JFAR does not publish material typically published in law reviews, concerning the interpretation of laws or court cases. Appropriate contributions will include scholarship of discovery, integration, application, and teaching as follows¹:

- Appropriate methodologies for *discovery-based research* include, but are not limited to, laboratory studies, surveys, theory-based analyses, case studies, critical analyses, and studies using archival data.
- If the study is a replication or primarily reports nonsignificant results, the letter to the editor should so indicate. Replications play a crucial role in the research process and are welcome. They would normally be published as a “Research Note,” which is substantially shorter than an original article because it closely cites the original study. Studies in which the hypothesized effects are not found (i.e., studies that have “nonsignificant” results) will be considered if they have been rigorously conducted, are theoretically sound, and demonstrate high construct validity, internal validity, and statistical power.
- Appropriate *integrative* papers will provide syntheses of academic or practice literature in an area related to the topics such as those listed above. They must provide new insights into the literature that will facilitate further research or enhance the application of knowledge.
- *Applied* studies might bring to forensic accounting settings specific tools or techniques. A good example is Nigrini’s introduction of Benford’s Law as an analytical tool to detect fabricated financial numbers.

¹Boyer, E. L. 1990. *Scholarship Reconsidered: Priorities of the Professoriate*. Princeton, NJ: The Carnegie Foundation for the Advancement of Teaching.

EDITORS AND EDITORIAL BOARD

Editor

Charles D. Bailey, Ph.D.

James Madison University

Professor Bailey is professor of accounting and Jackson E. Ramsey Centennial Chair in Business at James Madison University, where he teaches cost/managerial accounting and international business ethics for accountants. He is the inaugural editor of *JFAR*, appointed in 2014 and reaffirmed in 2017. Always active in the publication and review process, he currently serves on the editorial boards of other AAA journals and has been an associate editor of *Issues in Accounting Education* and *Journal of Accounting Education*. His research appears in numerous journals, including *The Accounting Review*; *Journal of Accounting Research*; *Accounting, Organizations and Society*; *Journal of Management Accounting Research*; *Auditing: A Journal of Practice & Theory*; *Behavioral Research in Accounting*; *Issues in Accounting Education*; *Journal of Accounting Education*; *Management Science*; *Journal of Social Psychology*; *Marketing Education Review*; *IIE Transactions*; and *Economic Inquiry*. From 2003–2005, Dr. Bailey served as chair-elect and chair of the Accounting, Behavior and Organization section of the AAA.

Associate Editors

D. Larry Crumbley, Ph.D.

Louisiana State University

Professor Crumbley is on the faculty of Louisiana State University where he teaches forensic accounting and petroleum accounting courses. He is the author of more than 360 articles and 65 books, including *Forensic & Investigative Accounting*, 8th edition, with Commerce Clearing House. In 1999, he created the *Journal of Forensic Accounting*, and he later created the *Journal of Forensic & Investigative Accounting*. He has been editor of the *Oil, Gas & Energy Quarterly* for more than 40 years. He has 13 educational novels, including *The Big R: A Forensic Accounting Action Adventure*, starring an Internal Auditor of the New York Yankees and a forensic accountant. A frequent speaker in the U.S. and internationally on forensic accounting and petroleum accounting, Dr. Crumbley was named by the NACVA as one of only 24 Pioneers of the Profession in Their Industry Titans—The Financial Consulting Profession's Most Influential. He was the chair of the Teaching and Curriculum section, the founder and first president of the Forensic Accounting section, president of the Gender Issues and Worklife Balance section, and founder and first president of the American Taxation Association. He is a AAA council member.

Carol Callaway Dee, Ph.D.

University of Colorado Denver

Carol Callaway Dee is the associate professor of accounting at the University of Colorado Denver. Professor Dee teaches graduate and undergraduate auditing, financial accounting, and accounting theory. She has published in several top academic journals such as *The Accounting Review*; *Issues in Accounting Education*; *Current Issues in Auditing*; *Contemporary Accounting Research*; *Research in Accounting Regulation*; *Advances in Accounting*; *Journal of Accounting and Public Policy*; *Oil, Gas, and Energy Quarterly*; and *Journal of the Accounting Literature*.

James A. DiGabriele, Ph.D.

Montclair State University

James A. DiGabriele is a professor of accounting in the Department of Accounting & Finance. He is a certified public accountant (CPA) licensed in the state of New Jersey, is accredited in business valuation (ABV), and certified in financial forensics (CFF). He is also a certified fraud examiner (CFE), certified forensic accountant (CRFAC), certified valuation analyst (CVA). His articles have appeared in numerous academic and professional journals including: *Accounting Horizons*, *Critical Perspectives on Accounting*, *Issues in Accounting Education*, *Journal of Forensic Accounting Research*, *Journal of Legal Economics*, *Journal of Forensic Accounting*, *Journal of Forensic & Investigative Accounting*, *The CPA Journal*, *Journal of Accountancy*, *Journal of Business Valuation & Economic Loss Analysis*, *Journal of Applied Accounting Research*, and *Accounting Research Journal*.

William N. Dilla, Ph.D.

Iowa State University

Professor Dilla is the Union Pacific/Charles B. Handy Professor of Accounting at Iowa State University, where he teaches courses in auditing and fraud examination. He also maintains a research affiliation with the University of Gothenburg. His research focuses on accounting information displays, the relationship between internal audit activities and information security effectiveness, fraud in online environments, and the integration of management and sustainability control systems. His publications appear in *The Accounting Review*, *Decision Sciences*, *Auditing: A Journal of Practice and Theory*, *Accounting Horizons*, *Behavioral Research in Accounting*, *International Journal of Accounting Information Systems*, and *Journal of Information Systems*. He currently serves as an associate editor for the *International Journal of Accounting Information Systems*.

Lisa Jack, Ph.D.

University of Portsmouth

Lisa Jack is professor of accounting in Portsmouth Business School. She was president of the British Accounting and Finance Association (2016-18). Her publications can be found in *Accounting, Organizations and Society*; *Accounting, Auditing and Accountability Journal*; *British Accounting Review* amongst other journals. Her book, *Accounting and Social Theory: An Introduction* was published in late 2016. She is also the co-editor of *The Routledge Companion to Accounting Communication (2013)* with Jane Davison and Russell Craig.

She is part of the MSc Forensic Accounting teaching team at Portsmouth, and leads the unit on Financial Crime and the Law. Her particular research interest is in accounting and management control in the food and drink industry, and she is now combining both interests to establish projects on fraud detection in the food industry.

Chih-Chen Lee, Ph.D.

Northern Illinois University

Professor Chih-Chen Lee is the William and Dian Taylor Professor of Accountancy and coordinator of International Business Seminar at NIU and the director of Global Initiative in the Department of Accountancy. Professor Lee is also a certified public accountant (CPA) and certified fraud examiner (CFE). Her research focuses on accounting information systems and auditing, particularly forensic accounting and fraud examination. Her work has been published in *Accounting Horizons*, *International Journal of Accounting, Auditing and Performance Evaluation*, *Strategic Finance*, *Journal of Forensic & Investigative Accounting*, *Journal of Business Ethics*, *International Journal of Auditing*, *Behavioral Research in Accounting*, *Journal of Information Systems*, *Advances in Behavioral Research*, *Journal of Forensic Accounting*, *Journal of Health Care Finance*, among others.

Timothy A. Pearson, Ph.D.

Georgia Southern University

Timothy A. Pearson is professor and director of the School of Accountancy at Georgia Southern University. Professor Pearson is Executive Director Emeritus of the Institute for Fraud Prevention (IFP), an industry-supported research center housed at West Virginia University founded by the ACFE and AICPA. His work with the IFP was featured in the cover story of the Jan/Feb 2010 edition of *Fraud Magazine*. Professor Pearson has conducted funded research sponsored by PwC, LexisNexis, the National Institute of Justice, the National Library of Medicine and the National Science Foundation. He has published his research in refereed journals including *Contemporary Accounting Research*, *Journal of Accounting and Public Policy*, *Issues in Accounting Education*, *Journal of Public Budgeting, Accounting and Finance*, *Law Enforcement Forum*, and *The CPA Journal*. He is a member of the Association of Certified Fraud Examiner's Higher Education Committee and the Association of Certified Financial Crime Specialists. He also is on the Financial Executives International Governance, Risk and Compliance Task Force. He has served as president and board member for the WV Tax Institute.

Richard A. (Dick) Riley, Jr.

West Virginia University

Richard A. (Dick) Riley, Jr., is the Louis F. Tanner Distinguished Professor of Public Accounting at West Virginia University. He is also the Director of Research for the Institute for Fraud Prevention. Since 2002, Dr. Riley has performed expert financial analysis and litigation support services, offering deposition and trial testimony. He has published four books: *Financial Statement Fraud: Prevention and Detection* with Zabi Rezaee (John Wiley & Sons, 2010); *Forensic Accounting and Fraud Examination* with Joseph Wells and Mary-Jo Kranacher (John Wiley & Sons, 2011); *Fraud Examination for Fraudulent Financial Reporting* with Steven Albrecht, Chad Albrecht and Mark Zimbelman (MyEducator.com, 2015); *Forensic Accounting and Fraud*

Examination: Knowledge, Skills, and Abilities with Richard Dull (WVU Press, 2015). Dr. Riley is a CPA, CFE, CFF, CVA, forensic accountant and fraud examiner who has developed and implemented fraud and forensic accounting education programs for the United States National Institute of Justice and the Internal Revenue Service. Dr. Riley possesses an undergraduate degree in accounting from Wheeling Jesuit University, a Masters of Professional Accountancy from West Virginia University and Doctor of Philosophy Degree from the University of Tennessee. He has published 45 research papers, including manuscripts in *Contemporary Accounting Research*, *Auditing: A Journal of Practice and Theory*, *Issues in Accounting Education*, *Journal of Accounting, Auditing and Finance*, *Journal of Accounting and Public Policy*, *Journal of Forensic Accounting Research*, among other top quality journals. In spring 2017, WV Governor Justice appointed Dr. Riley to the WV State Board of Accountancy.

Dan N. Stone, Ph.D.

University of Kentucky

Dan N. Stone is a Gatton Endowed Chair in the Von Allmen School of Accountancy. His joint Ph.D. degree is in accounting and information technology from the University of Texas at Austin. He has published more than 40 academic works and is the former senior editor of *Journal of Information Systems*. His recent research investigates online deception, mindfulness, and knowledge practices among professionals.

David A. Ziebart

University of Kentucky

Dave Ziebart is the PwC Endowed Professor of Accountancy at the University of Kentucky where he served as Director of the Von Allmen School. Prior appointments include the University of Illinois at Urbana-Champaign and Indiana University. Dave holds a bachelor's degree from Aurora University, a master's degree from Northern Illinois University, a doctorate from Michigan State University, and is a CPA (non-practicing) in Illinois. He has also held appointments in the National Center for Supercomputing Applications at the University of Illinois at Urbana-Champaign, as faculty fellow in the University of Illinois Vice President's Office, and visiting Professor at the University of Notre Dame. Dave has published in a number of journals including *Journal of the American Statistical Association*, *Journal of Accounting Research*, *The Accounting Review*, *Contemporary Accounting Research*, *The International Journal of Accounting*, *Journal of Accounting, Auditing, and Finance*, *The Financial Review*, *Journal of Empirical Finance*, *Accounting Horizons*, and *Review of Accounting Studies*. He has served on the editorial board of *Accounting Inquiries*, *The New Accountant*, and *Accounting Horizons*. He was an associate editor for *The International Journal of Accounting* and *Journal of Information Systems*. Dave also served as the co-editor of *Accounting Horizons*. Professor Ziebart has served as the President of the Financial Accounting and Reporting Section of the American Accounting Association.

Editorial Board

| | |
|-------------------------|--|
| Mohammad Abdolmohammadi | <i>Bentley University</i> |
| C. Richard Baker | <i>Adelphi University</i> |
| Brian Ballou | <i>Miami University</i> |
| William C. Barrett | <i>Virginia Union University</i> |
| Richard A. Bernardi | <i>Roger Williams University</i> |
| Luis Betancourt | <i>James Madison University</i> |
| Toby J. Bishop | <i>Independent Global Anti-Fraud Advisor</i> |
| Wray E. Bradley | <i>The University of Tulsa</i> |
| Leonard J. Brooks | <i>University of Toronto</i> |
| Priscilla Burnaby | <i>Bentley University</i> |
| Tina D. Carpenter | <i>The University of Georgia</i> |
| Lynn H. Clements | <i>Florida Southern College</i> |
| David J. Cooper | <i>University of Alberta</i> |
| M. Tina Dacin | <i>Queen's University</i> |
| Ronald J. Daigle | <i>Sam Houston State University</i> |
| Kristina C. Demek | <i>University of Central Florida</i> |
| F. Todd Dezoort | <i>The University of Alabama</i> |
| Cindy Durtschi | <i>DePaul University</i> |

| | |
|--------------------------|---|
| Jeffery Everett | <i>York University</i> |
| Timothy J. Fogarty | <i>Case Western Reserve University</i> |
| Ross D. Fuerman | <i>Suffolk University</i> |
| Lori R. Fuller | <i>West Chester University</i> |
| James C. Gaa | <i>University of Alberta</i> |
| Jennifer Grafton | <i>The University Of Melbourne</i> |
| Lester E. Heitger | <i>Missouri State University</i> |
| Dana R. Hermanson | <i>Kennesaw State University</i> |
| William S. Hopwood | <i>Florida Atlantic University</i> |
| Hua-Wei Huang | <i>National Cheng Kung University</i> |
| R. Kathy Hurtt | <i>Baylor University</i> |
| Eric N. Johnson | <i>University of Wyoming</i> |
| Laurence E. Johnson | <i>Colorado State University</i> |
| Sara R. Kern | <i>Gonzaga University</i> |
| Mary-Jo Kranacher | <i>York College–CUNY</i> |
| Ganesh Krishnamoorthy | <i>Northeastern University</i> |
| Bruce A. Leauby | <i>LaSalle University</i> |
| Ayalew Lulseged | <i>The University of North Carolina at Greensboro</i> |
| Lari B. Masten | <i>University of Denver</i> |
| Peter L. McMickle | <i>The University of Memphis</i> |
| Dorothy A. McMullen | <i>Rider University</i> |
| Jacquelyn Sue Moffitt | <i>Louisiana State University</i> |
| Mark J. Nigrini | <i>West Virginia University</i> |
| David W. O'Bryan | <i>Pittsburg State University</i> |
| Carl J. Pacini | <i>University of South Florida St. Petersburg</i> |
| Dominic Peltier-Rivest | <i>Concordia University</i> |
| Kelly R. Pope | <i>DePaul University</i> |
| Peter John Poznanski | <i>Cleveland State University</i> |
| Jeffrey J. Quirin | <i>Wichita State University</i> |
| Sridhar (Sri) Ramamoorti | <i>University of Dayton</i> |
| Alan Reinstein | <i>Wayne State University</i> |
| Zabihollah Rezaee | <i>The University of Memphis</i> |
| Richard A. Riley, Jr. | <i>West Virginia University</i> |
| Ena Rose-Green | <i>The University of Alabama in Huntsville</i> |
| Deborah L. Seifert | <i>Illinois State University</i> |
| John T. Sennetti | <i>Nova Southeastern University</i> |
| Debra T. Sinclair | <i>University of South Florida St. Petersburg</i> |
| Christopher J. Skousen | <i>Utah State University</i> |
| L. Murphy Smith | <i>Murray State University</i> |
| William W. Stammerjohan | <i>Louisiana Tech University</i> |
| Eileen Z. Taylor | <i>North Carolina State University</i> |
| Mark H. Taylor | <i>Case Western Reserve University</i> |
| Stephen L. Taylor | <i>University of Technology, Sydney</i> |
| Norbert Tschakert | <i>Salem State University</i> |
| Susan G. Watts | <i>Purdue University</i> |
| Thomas R. Weirich | <i>Central Michigan University</i> |
| J. Scott Whisenant | <i>The University of Kansas</i> |
| Paul F. Williams | <i>North Carolina State University</i> |
| Bernard Wong-On-Wing | <i>Washington State University</i> |
| Joseph H. Zhang | <i>The University of Memphis</i> |
| Douglas E. Ziegenfuss | <i>Old Dominion University</i> |

SUBMISSION AND ACCEPTANCE LEVELS

Table 1 shows the number of papers submitted to *Journal of Forensic Accounting Research* for the period from 2015 to 2018.

TABLE 1
Annual Activity Summary—For the Journal Year

| Year | Manuscripts In-Process, Beginning of Year | New Submissions Received | Resubmissions Received | Manuscripts Available for Evaluation | Decision Letters Sent | Manuscripts In-Process, End of Year |
|------|---|-----------------------------|---------------------------|--|--------------------------|---|
| | (a) | (b) | (c) | (a)+(b)+(c) = (d) | (e) | (d)–(e) = (f) |
| 2018 | 4 | 15 | 15 | 34 | 34 | 0 |
| 2017 | 3 | 17 | 13 | 33 | 29 | 4 |
| 2016 | 2 | 16 | 16 | 34 | 31 | 3 |
| 2015 | 0 | 19 | 1 | 20 | 18 | 2 |

- (a) Includes submissions in the editor's hands, but excludes revise and resubmit editorial decisions in authors' hands.
- (b) New manuscripts, excluding resubmissions.
- (c) Resubmissions of previous revise and resubmit editor decisions.
- (d) Evaluation means all actions by referees, associate editor, and/or editor are complete and the manuscript has been returned to the authors.
- (e) Manuscripts processed with a decision returned to the author, including manuscripts returned by the editor without involving referees.
- (f) Submissions where a decision has not yet been sent to the author (note that in-process excludes revise and resubmit editorial decisions that are now in the authors' hands).

Table 2 shows acceptance and rejection rates for the period from 2015 to 2018.

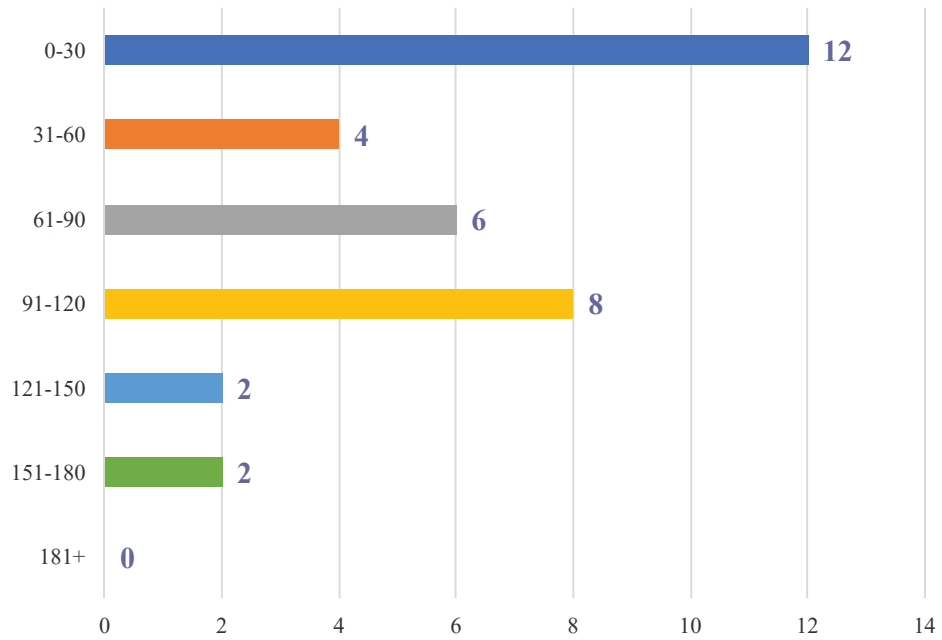
TABLE 2
Annual Outcome Summary—By Journal Year Annual Cohort

| Year | New Submissions Received | Number of Rejections | Percentage of Rejections | Number of Papers in Process | Percentage in Process | Number of Acceptances | Percentage of Acceptances |
|------|--------------------------------|-------------------------|-----------------------------|-----------------------------------|--------------------------|--------------------------|------------------------------|
| | (a) | (b) | (c) = b)/(a) | (d) | (e)=(d)/(a) | (f) | (g)=(f)/(a) |
| 2018 | 15 | 12 | 80% | 3 | 20% | 0 | 0% |
| 2017 | 17 | 12 | 71% | 2 | 12% | 3 | 18% |
| 2016 | 16 | 10 | 63% | 0 | 0% | 6 | 38% |
| 2015 | 19 | 13 | 68% | 0 | 0% | 6 | 32% |

- (a) Number of submitted manuscripts from that year's cohort
- (b) Number of rejected manuscripts from that year's cohort
- (c) Percent of rejected manuscripts from that year's cohort
- (d) Number of manuscripts still being evaluated (no report yet, revise, resubmit)
- (e) Percent of manuscripts from that year's cohort still being evaluated
- (f) Number of accepted manuscripts from that year's cohort
- (g) Percent of accepted manuscripts from that year's cohort

Of the 34 submissions that were evaluated in 2018, the mean turn time was 65 days. Median turn time was 72 days.

EXHIBIT 1
Turnaround Times for Decisions Made in the Year Ended December 31, 2018.



AAA DIGITAL LIBRARY and CONTENT AGGREGATOR DOWNLOAD DATA

The American Accounting Association publishes 17 journals in the areas of accounting research, education, practice, and public interest. Table 3 shows the download of articles from the AAA's Digital Library (<http://www.aaajournals.org>) and content aggregators (EBSCO, JSTOR, and/or Proquest) in 2017.

TABLE 3
2017 AAA Digital Library and Content Aggregators Downloads (Full-Text)

| Journals | Downloads |
|---|------------------|
| <i>The Accounting Review</i> * | 779,167 |
| <i>Accounting Horizons</i> * | 241,690 |
| <i>Issues in Accounting Education</i> * | 215,469 |
| <i>Auditing: A Journal of Practice & Theory</i> | 203,841 |
| <i>Journal of Management Accounting Research</i> | 96,711 |
| <i>Journal of Information Systems</i> | 89,783 |
| <i>Current Issues in Auditing</i> | 84,915 |
| <i>Behavioral Research in Accounting</i> | 50,902 |
| <i>Journal of International Accounting Research</i> | 34,039 |
| <i>The Journal of the American Taxation Association</i> | 33,857 |
| <i>Journal of Emerging Technologies in Accounting</i> | 30,006 |
| <i>Accounting and the Public Interest</i> | 11,765 |
| <i>Journal of Governmental & Nonprofit Accounting</i> | 10,238 |
| <i>The ATA Journal of Legal Tax Research</i> | 5,014 |
| <i>Journal of Financial Reporting</i> | 3,934 |
| <i>Journal of Forensic Accounting Research</i> | 2,904 |
| <i>Accounting Historians Journal</i> | 768 |

* Association-wide journal.

Other Important Statistics

1. Median time to first decision (2018): 76 days
2. Percentage of international authors: 11%

TOP 10 ARTICLES (AAA Digital Library, 2018)

1. Whistleblowing on Fraud for Pay: Can I Trust You?
Cynthia P. Guthrie, Eileen Z. Taylor
2. Unique Characteristics of Predator Frauds
Dana R. Hermanson, Scot E. Justice, Sridhar Ramamoorti, Riley, Richard A
3. Collusive Fraud: Leader, Incident, and Organizational Characteristics
Carol C. Bishop, Dana R. Hermanson, Riley, Richard
4. Financial Reporting Fraud: Public and Private Companies
A. Scott Fleming, Dana R. Hermanson, Mary-Jo Kranacher, Richard A. Riley
5. A Repeat Offender of Corruption: South MunaiGas Case Study
Willie Reddic, Sandra W. Shelton, Georgi K. Shmagel
6. AIM Corporation: A Business Fraud Case Study
Thomas R. Weirich, Natalie Tatiana Churyk
7. The Effects of Gamification on Corporate Compliance Training: A Partial Replication and Field Study of True Office Anti-Corruption Training Programs
Ryan J. Baxter, Holderness, D. Kip David A. Wood
8. Does Viewing Sacrificed Integrity as a Negotiable Cost Promote Acceptance of Fraud?
Joseph C. Ugrin, Marcus Dean Odom
9. Scratchpad: A Private Company Business Valuation
James A. DiGabriele, Richard A. Riley
10. Integration of Fraud Risk in the Risk of Material Misstatement and the Effect on Auditors' Planning Decisions
Velina Popova