

Ethics for CPAs

6th Edition

Published and Distributed by
The CPE Store, Inc.
www.cpestore.com

Table of Contents

Introduction	1
Chapter 1 – Ethics in the Workplace.....	3
Learning Objectives.....	3
Observing and Reporting Misconduct	3
Types of Observed Misconduct	4
Reporting and Retaliation	5
Interpersonal Misconduct	6
Pressure to Compromise Standards	7
The Effect of Ethical Culture	8
Proactive Communication.....	9
The Importance of E&C Compliance Programs.....	10
Review Questions	12
Review Answers.....	13
Chapter 2 – Ethics for Accounting & Auditing Professionals	15
Learning Objectives.....	15
Introduction	15
Code of Professional Conduct	15
Occupational Fraud	17
Asset Misappropriation	17
Corruption	19
Financial Statement Fraud	19
Sarbanes-Oxley Act of 2002.....	20
Ethics & Independence Rules for Auditors	23
Chapter 3 – Accounting & Auditing Cases	31
Learning Objectives.....	31
Introduction	31
Corporate Fraud Cases	31
Case 1: NIC, Inc.....	31
Case 2: NutraCea	33
Auditor Violation Cases	35
Financial Statements Audits of IWT Tesoro Corporation and GeneThera, Inc.	35
SEC, Accounting and Auditing Enforcement, Administrative Proceeding, Thomas P. Flanagan.....	38
Review Questions	41
Review Answers.....	42
Chapter 4 – Ethics for Tax Professionals.....	43
Learning Objectives.....	43
Introduction	43
Tax Fraud	43
Statements on Standards for Tax Services (SSTS).....	45
Tax Preparer Penalties under Title 26 – Internal Revenue Code	46
Abusive Tax Return Preparers.....	47
Statistical Data – Abusive Tax Return Preparers.....	47
Case Examples – Abusive Tax Return Preparers	48
Corporate Tax Fraud	48
Statistical Data – Corporate Tax Fraud	48
Case Examples – Corporate Tax Fraud.....	49
Abusive Tax Schemes.....	50
What is an Abusive Tax Scheme?	50
Common Abusive Tax Schemes.....	50
Statistical Data – Abusive Tax Schemes.....	50
Case Examples – Abusive Tax Schemes	51

Table of Contents

Abusive Foreign Trust Schemes	52
International Business Corporations (IBC)	52
False Billing Schemes	52
Glossary	57
Index	61