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FINANCIAL EDUCATORS

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Course Information

Course Title: *Madoff: A Case Study in CPA Ethics #292520*

Recommended CPE credit hours for this course:

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

CPA: 2 (All states)

National Registry of CPE Sponsors ID Number: 107615.
Sponsor numbers for those states that require sponsor registration:
Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)
New York State Board of Accountancy (ethics): 002146
Ohio State Board of Accountancy: M0021
Pennsylvania Board of Accountancy: PX178025
Texas State Board of Accountancy: 009349

Course Description

Bernard Madoff Investment Securities LLC was the source of the largest financial fraud in US history. Madoff perpetrated a simple Ponzi scheme whereby older investors were paid with newer investor funds, thus providing the impression of actual investment returns. The extent of the losses related to Madoff's Ponzi scheme has been estimated at \$50 - \$65 billion.

Many are astounded to hear that Bernard Madoff Investment Securities LLC was audited by a CPA. Unfortunately, Madoff's CPA apparently did not subscribe to the *AICPA Code of Professional Conduct*, as most of the rules contained in the code were ignored. What follows is a case study examining the conduct of Friehling & Horowitz CPA's P.C., the CPA firm that audited Bernard Madoff Investment Securities LLC, within the context of the *AICPA Code of Professional Conduct*.

Program Delivery Method: QAS Self-Study (interactive)

Subject Codes/Field of Study: CPA: Regulatory Ethics

Course Level, Prerequisites, and Advance Preparation Requirements

Level: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: None

Advance Preparation: None

Course Content

Publication/revision date: 5/28/2021

Course book: *Bernard Madoff Investment Securities' Auditor*

– *A Case Study in the AICPA Code of Conduct* by Joseph P. Helstrom, CPA

Final exam: Ten questions (multiple-choice).

Instructions for taking this course

Note: Downloading the PDF of this course will enable Bookmarks for easier navigation (on the left side of the document window, open the bookmarks pane).

You must complete this course within one year of the date of purchase (if you do not complete the course within one year, contact us to determine whether an updated edition of the course is available, in which case we will provide you with a PDF of the updated course and the online exam at no charge).

A passing grade of at least 70% is required on the final exam for this course. You may retake the exam if you do not pass it on the first attempt (no charge).

Complete the course by following the learning objectives listed below, studying the text, and studying the review questions at the end of each major section (or at the end of the course). Once you have completed studying the course and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

Additional Information

- The exam may be started, stopped, then resumed at a later date.
- The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
- Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

Assignments:

- Madoff – The Ponzi Scheme
- The SEC Complaint
- The AICPA *Code of Professional Conduct*
- The Joint Ethics Enforcement Program Investigation

Learning objectives:

- Recognize professional conduct expected of a certified public accountant and consequences of misconduct under AICPA guidelines.
- Recognize key components of the AICPA Code of Professional Conduct with regard to independence.
- Recognize the AICPA Code of Professional Conduct rules on confidential information and acts discreditable .
- Identify ethical safeguards as outlined by the AICPA.
- Recognize the AICPA Joint Ethics Enforcement Program and its disciplinary actions

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