

TRAP DOORS
AND
TROJAN HORSES

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An Auditing Action Adventure

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Lawrence Murphy Smith
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Auditing is a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence between the assertions and established criteria and communicating the results to interested users.

—Committee on Basic Accounting Concepts
American Accounting Association

TRAP DOORS AND TROJAN HORSES is fiction, and all the characters and adventures are imaginary. Any resemblance to actual persons, living or dead, is purely coincidental.

*Dedicated to
Cynthia Cooper*

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Preface

This supplementary novel may be used near the end of an auditing or beginning of a data processing or forensic accounting course. It would be ideal for an MBA program that has a light coverage of accounting. The novel could be used in CPA firms' in-house training programs. This educational novel illustrates the differences between a regular audit and the investigation required by forensic accountants to uncover computer fraud. Every business executive should read it, because just as termites never sleep, fraud never sleeps. Just like termites, fraud can destroy the foundation of an entity.

The novel mixes fraud, crime, politics, ethics, computer techniques, expert witnessing, and auditing for a better and easier way to learn accounting. If used as a supplement to an auditing, forensic accounting, fraud examination, or a computer course, this exciting novel provides a painless way of learning auditing principles. The suspenseful story combines computer and auditing concepts in a fashion even a novice can understand and enjoy. With computer fraud losses reaching \$300 billion per year, accountants must be familiar with electronic auditing.

Professor Lenny Cramer operates a small forensic accounting firm in Atlanta, Georgia. As a forensic accountant, he goes beyond recordkeeping and looks at the records to learn and gather information. Called "a sort of Indiana Jones of the Ledger Set" by the Washington Post, Lenny teaches in the classroom, testifies before a Congressional committee, and serves as an expert witness in the courtroom. In *Trap Doors and Trojan Horses*, he and his sidekick, Slam Duncan, investigate a mysterious series of computer losses at a division of Coca-Cola. Coke, of course, is one of the world's most popular and best recognized consumer products.

Cramer and Duncan employ auditing and computer concepts in making real-life decisions. Along the way, business practices, ethics, political controversies, contemporary individual and corporate planning, accounting fraud, and the lives of CPAs and their colleagues are elucidated in a way both students and instructors will find gripping and informative. This instructive and entertaining approach is an excellent substitute for a mundane practice set. A novel shows accounting students that the accounting profession is much better than the stereotype image most people have. An effective accountant is bright, personable, skeptical, and technically competent. As geologist Charles Lyell said many years ago, “never call an accountant a credit to his profession; a good accountant is a debit to his profession.”

The authors acknowledge the work on the beginning chapters by Hugh Nations. The authors are grateful to the following people for their review and comments on earlier versions of the novel: Teresa Conover, James C. Flagg, Steve Flory, David Kerr, R. Stephen McDuffie, Alfred R. Michenzi, Jeffrey R. Miller, Barbara Morris, Kibily D. Samake, Bittany Samrow, Valerie Scheffler, Winston T. Shearon, Katherine T. Smith, Robert Strawser, and James H. Thompson. Any shortcomings, however, remain the total responsibility of the authors.

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By focusing on protagonists like the forensic accountant—the investigator of ledgers—a novel allows the otherwise dry accounting material to take on the aura of mystery. The dramatic intrigue, in turn, helps the reader retain the principles.

—*The Administrator*

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* * *

The company accountant is shy and retiring. He's shy a quarter of a million dollars. That's why he's retiring.

—Milton Berle