

Journal of Forensic Accounting Research

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

INTRODUCTION

Editor's Report: An Introduction to the 2020 Publication

Zabihollah Rezaee

REGULAR ISSUE

Market Response to Audited Internal Control Weakness Disclosures

Subash Adhikari, Binod Guragai, and Ananth Seetharaman

The Effects of Experience and Client-Preferred Outcomes on Accountants' Complex Loss Valuation Judgments

Brian Ballou, Dan L. Heitger, Lester E. Heitger, Jonathan S. Pyzoha, and Andrew Reffett

Mathematical Formulation of the Effectiveness of "Separation of Duties" as a Preventive Control Activity

Roberta Ann Barra, Arline Savage, and Eric Im

Status of Non-Profits and Fraud: An Exploratory Study of Risks, Controls, and General Organizational Characteristics

Martha M. Eining, David Hurtt, R. Kathy Hurtt, and Claire Richards

Hiring Auditors with a Part II Quality Control Report: An Opportunity for Increased Earnings Management or Lower Audit Fees?

Jared Eutsler, D. Kip Holderness, Jr., and Megan M. Jones

Social Trust, Market Competition, and Tax Avoidance: Evidence from Contemporary China

Brian M. Lam, Gladie M. C. Lui, and Connie Shum

Tax Return Analysis in a Fraud Examination: The Case of the Bankruptcy Auditor

David W. O'Bryan, Jeffrey J. Quirin, and Mary Jo Goedeke

Why Punishment Does Not Fit the Crime: Experimental Evidence That Situational Circumstances Crowd Out Damage Done

Joseph Wall, Timothy J. Fogarty, and Jodi Gissel

SPECIAL FORUMS

Passive Appreciation in Divorce: A Quantitative Measure

Ashok Abbott

Empirical Investigation of Alternative Measures of Central Tendency

William H. Black and Lari B. Masten

A Synthesis of Non-Fraud Forensic Accounting Research

James A. DiGabriele, Lester E. Heitger, and Richard (Dick) Riley, Jr.

Forensic Acculturation for Accountability in Local Governments: A Design Science Approach for School Leaders and Citizens

John R. Kurpierz and Ken A. Smith

The Dodd-Frank Act and the Private Company Discount: An Empirical Investigation

Peter L. Lohrey

Understanding the Statement on Standards for Forensic Services No. 1 and Its Implications for Practice, Curricula, and Research

Lynda Schwartz

Revisiting The S-Corporation Premium: Further Evidence

Christopher W. Young and Luigi D'Onorio DeMeo

Honesty in Personal Tax Reporting: Ethical Prompts, Individual Factors, and Tax Reform

Charles D. Bailey and James M. Plečnik

Mom's Money is Missing: Bank Records Analysis in a Fraud Examination Case

David W. O'Bryan and Jeffrey J. Quirin



**American
Accounting
Association**
Forensic Accounting

Journal of Forensic Accounting Research

V.5 N.1 2020

Downloaded from <http://meridian.allenpress.com/jfar/article-pdf/5/1/1/2703612/2380-2138-5-1.pdf> by guest on 18 April 2021

AMERICAN ACCOUNTING ASSOCIATION
Board of Directors

President	Elaine G. Mauldin, University of Missouri
President-Elect	Robert D. Allen, The University of Utah
Past President	Terry Shevlin, University of California, Irvine
Vice President–Finance	Mark S. Beasley, North Carolina State University
Vice President–Research & Publications	Mark L. DeFond, University of Southern California
Vice President–Education	Beth B. Kern, Indiana University
Director–Focusing on Membership	Ann C. Dzurainin, Northern Illinois University
Director–Focusing on International	Giorgio Gotti, The University of Texas at El Paso
Director–Focusing on Segments	Audrey A. Gramling, Oklahoma State University
Director–Focusing on Intellectual Property	Mary Harris Stanford, Texas Christian University
Director–Focusing on Academic/Practitioner Interaction	John Hepp, University of Illinois at Urbana-Champaign

The American Accounting Association was founded in 1916 as the American Association of University Instructors in Accounting. Its present name was adopted in 1936. The Association is a voluntary organization of persons interested in accounting education, research, and practice.

Membership in the Association is available at the following annual rates.

Full membership:

The membership dues of 345.00 include *Accounting Education News* and the online selection of all three Association-wide journals: *The Accounting Review*, *Accounting Horizons*, and *Issues in Accounting Education*. (This does not include Section journals.) Full members may also opt to receive hard copies of AAA journals for an additional cost:

<i>The Accounting Review</i>	with Print Option \$85.00	Total U.S. \$430.00
<i>Accounting Horizons</i>	with Print Option \$55.00	Total U.S. \$400.00
<i>Issues in Accounting Education</i>	with Print Option \$55.00	Total U.S. \$400.00
All three Association-wide journals	with Print Option \$195.00	Total U.S. \$540.00

Associate membership:

Full-time students are eligible for associate membership at \$50.00, which includes *Accounting Education News* and access to all three Association-wide journals: *The Accounting Review*, *Accounting Horizons*, and *Issues in Accounting Education*. (This does not include Section journals.) Members may also opt to receive hard copies of AAA journals for an additional cost. (Teaching Notes for *Issues in Accounting Education* are not available to students.)

<i>The Accounting Review</i>	with Print Option \$85.00	Total U.S. \$185.00
<i>Accounting Horizons</i>	with Print Option \$55.00	Total U.S. \$155.00
<i>Issues in Accounting Education</i>	with Print Option \$55.00	Total U.S. \$155.00
All three Association-wide journals	with Print Option \$195.00	Total U.S. \$295.00

In addition, AAA Section journals *Accounting Historians Journal*, *Accounting and the Public Interest*, *Auditing: A Journal of Practice & Theory*, *Behavioral Research in Accounting*, *Journal of Emerging Technologies in Accounting*, *The Journal of the American Taxation Association*, *Journal of Financial Reporting*, *Journal of Forensic Accounting Research*, *Journal of Information Systems*, *Journal of International Accounting Research*, *The ATA Journal of Legal Tax Research*, and *Journal of Management Accounting Research* are available to all AAA members. Full members may belong to one or more Sections: Academy of Accounting Historians; Accounting, Behavior and Organizations; Accounting Information Systems; Accounting Programs Leadership Group; American Taxation Association; Auditing; Diversity; Financial Accounting and Reporting; Forensic Accounting; Gender Issues and Worklife Balance; Government and Nonprofit; International Accounting; Management Accounting; Public Interest; Strategic and Emerging Technologies; Teaching, Learning and Curriculum; and Two-Year College. Each Section assesses its own dues, which are collected by the Association.

Inquiries concerning membership, subscriptions, advertisements, permissions, and other matters related to the Association (other than submission of manuscripts) should be sent to American Accounting Association, 9009 Town Center Parkway, Lakewood Ranch, FL 34202. Telephone: (941) 921-7747 • Fax: (941) 923-4093 • Email: Info@aaahq.org.

Notice of change of address should be mailed at least eight weeks in advance to ensure undelayed receipt of *Journal of Forensic Accounting Research*. The submission fee of \$75.00 may be paid online (VISA, MasterCard, or American Express only) and should be paid *before* the article is submitted. Payments may be made at: <http://aaahq.org/Research/Journals/Information-for-Authors/Online-Payment/productcd/FARSUBM>. Manuscripts should be submitted in electronic form. Detailed instructions can be found at <http://jfar.allentrack.net>. The editorial offices can be reached using the information below:

Zabihollah Rezaee, Editor
The University of Memphis
Email: zrezaee@memphis.edu

Editorial Office
Chelsea Matthews
Phone: (941) 556-4122
Fax: (941) 922-1018
Email: chelsea.matthews@aaahq.org

Journal of Forensic Accounting Research is indexed in Scopus.

Journal of Forensic Accounting Research (ISSN 2380-2138 online) is published annually by the American Accounting Association, 9009 Town Center Parkway, Lakewood Ranch, FL 34202. Electronic access is included with membership dues.

EDITORIAL STAFF OF *JOURNAL OF FORENSIC ACCOUNTING RESEARCH*

EDITOR

ZABIHOLLAH RAZAEE, *The University of Memphis, Memphis, TX, USA*

ASSOCIATE EDITORS

JILLIAN ALDERMAN, *Pepperdine University, Malibu, USA*
VIDA BOTES, *University of Waikato, Hamilton, Waikato, New Zealand*
D. LARRY CRUMBLEY, *Louisiana State University, Baton Rouge, LA*
CAROL CALLAWAY DEE, *University of Colorado Denver, Denver, CO, USA*
JAMES A. DIGABRIELE, *Montclair State University, Montclair, New Jersey, USA*
WILLIAM N. DILLA, *Iowa State University, Ames, IA, USA*
CINDY DURTSCHI, *DePaul University, Chicago, IL, USA*
TIMOTHY J. FOGARTY, *Case Western Reserve University, Cleveland, OH, USA*
LORI R. FULLER, *West Chester University, West Chester, PA, USA*
GRAHAM GAL, *University of Massachusetts Amherst, Amherst, MA, USA*
GAURAV GUPTA, *The University of North Carolina at Wilmington, Wilmington, NC, USA*
LISA JACK, *University of Portsmouth, Portsmouth, Hampshire, UK*
ERIC N. JOHNSON, *University of Wyoming, Laramie, WY, USA*
J. EDWARD KETZ, *The Pennsylvania State University, University Park, PA, USA*
CHIH-CHEN LEE, *Northern Illinois University, DeKalb, IL, USA*
PETER LOHREY, *Montclair State University, Montclair, NJ, USA*
CHERI MAZZA, *PKF O'Connor Davies, LLP, Fairfield, CT, USA*
TIMOTHY A PEARSON, *Georgia Southern University, Statesboro, GA, USA*
SRIDHAR RAMAMOORTI, *University of Dayton, Dayton, OH, USA*
RICHARD A. RILEY, *West Virginia University, Morgantown, WV, USA*
CHARLES J. RUSSO, *Towson University, Towson, MD, USA*
VIJAY SAMPATH, *Farleigh Dickinson University, Teaneck, NJ, USA*
DAN STONE, *University of Kentucky, Lexington, KY, USA*
EILEEN Z. TAYLOR, *North Carolina State University, Raleigh, NC, USA*
JUDY TSUI, *Institute for New Economic Thinking, Hong Kong, Hong Kong, USA*
LYNN E. TURNER, *Hemming Morse, LLP, Los Angeles, CA, USA*
JOSEPH MICHAEL WALL, *Marquette University, Milwaukee, WI, USA*
CHRISTOPHER YOUNG, *Rutgers, The State University of New Jersey, Newark, NJ, USA*
JOSEPH H. ZHANG, *The University of Memphis, Memphis, TN, USA*
DAVID A. ZIEBART, *University of Kentucky, Lexington, KY, USA*

ASSISTANT MANAGING EDITOR

CHELSEA MATTHEWS, *American Accounting Association*

EDITORIAL ADVISORY AND REVIEW BOARD

MOHAMMAD ABDOLMOHAMMADI, *Bentley University, Waltham, MA, USA*
CHRISTOPHER P. AGOGLIA, *University of Massachusetts, Amherst, MA, USA*
CECIL EDWARD ARRINGTON, *University of Wollongong, Wollongong, NSW, Australia*
C. RICHARD BAKER, *Adelphi University, Garden City, NY, USA*
BRIAN BALLOU, *Miami University, Oxford, OH, USA*
WILLIAM C. BARRETT, *Virginia Union University, Richmond, Virginia, USA*
RICHARD A. BERNARDI, *Roger Williams University, Bristol, RI, USA*
LUIS BETANCOURT, *James Madison University, Harrisonburg, VA, USA*
TOBY J. BISHOP, *Independent Global Anti-fraud Advisor, Toronto, ON, Canada*
WRAY E. BRADLEY, *The University of Tulsa, Tulsa, OK, USA*
SUSAN BRIGGS, *University of South Australia, Adelaide, South Australia, USA*
LEONARD J. BROOKS, *University of Toronto, Mississauga, ON, Canada*
THOMAS A. BUCKHOFF, *Georgia Southern University, Statesboro, GA, USA*
PRISCILLA A. BURNABY, *Bentley University, Waltham, MA, USA*
TINA D. CARPENTER, *The University of Georgia, Athens, GA, USA*
LYNN H. CLEMENTS, *Florida Southern College, Lakeland, FL, USA*
KATHLEEN ANNE COOPER, *University of Wollongong, Wollongong, NSW, Australia*
M. TINA DACIN, *Queen's University, Kingston, ON, Canada*
RONALD J. DAIGLE, *Sam Houston State University, Huntsville, TX, USA*
KRISTINA C. DEMEK, *University of Central Florida, Tampa, FL, USA*
F. TODD DEZOORT, *The University of Alabama, Tuscaloosa, AL, USA*
JEFFERY EVERETT, *York University, Toronto, ON, Canada*
ROSS D. FUERMAN, *Suffolk University, Boston, MA, USA*
JAMES C. GAA, *University of Alberta, Edmonton, AB, USA*
JENNIFER GRAFTON, *The University of Melbourne, Victoria, Australia*
LESTER E. HEITGER, *Missouri State University, Springfield, MO, USA*
DANA R. HERMANSON, *Kennesaw State University, Kennesaw, GA, USA*
WILLIAM S. HOPWOOD, *Florida Atlantic University, Boca Raton, FL, USA*
HUA-WEI (SOLOMON) HUANG, *National Cheng Kung University, Tainana, Taiwan, Taiwan*
R. KATHY HURTT, *Baylor University, Waco, TX, USA*
LAURENCE E. JOHNSON, *Colorado State University, Fort Collins, CO, USA*
SARA R. KERN, *Gonzaga University, Spokane, WA, USA*
MARY-JO KRANACHER, *York College-CUNY, Jamaica, NY, USA*
GANESH KRISHNAMOORTHY, *Northeastern University, Boston, MA, USA*
DOUG LAUFER, *Metropolitan State University, Denver, CO, USA*
BRUCE A. LEAUBY, *LaSalle University, Philadelphia, PA, USA*
AYALEW ALI LULSEGED, *The University of North Carolina at Greensboro, Greensboro, NC, USA*
CHARLES A. MALGWI, *Bentley University, Waltham, MA, USA*
LARI B. MASTEN, *University of Denver, Greenwood Village, CO, USA*
PETER L. MCMICKLE, *The University of Memphis, Memphis, TN, USA*
DOROTHY A. MCMULLEN, *Rider University, Lawrenceville, NJ, USA*
NATALIA MINTCHIK, *University of Cincinnati, Cincinnati, OH, USA*
JACQUELYN S. MOFFITT, *Louisiana State University, Baton Rouge, LA, USA*
PARTHA S. MOHAPATRA, *California State University-Sacramento, Sacramento, CA, USA*
PAMELA R. MURPHY, *Queen's University, Kingston, ON, Canada*
MARK J. NIGRINI, *West Virginia University, Morgantown, WV, USA*
DAVID W. O'BRYAN, *Pittsburg State University, Pittsburg, KS, USA*
CARL J. PACINI, *University of South Florida-St. Petersburg, Saint Petersburg, FL, USA*
DOMINIC PELTIER-RIVEST, *Concordia University, Montreal, QC, Canada*

KELLY R. POPE, *DePaul University, Chicago, IL, USA*
PETER J. POZNANSKI, *Cleveland State University, Cleveland, OH, USA*
JEFFREY J. QUIRIN, *Wichita State University, Wichita, KS, USA*
ALAN REINSTEIN, *Wayne State University, Detroit, MI, USA*
DEBORAH L. SEIFERT, *Illinois State University, Normal, IL, USA*
JOHN T. SENNETTI, *Nova Southeastern University, Miami, FL, USA*
CHRISTOPHER J. SKOUSEN, *Utah State University, Logan, UT, USA*
L. MURPHY SMITH, *Murray State University, Murray, KY, USA*
WILLIAM W. STAMMERJOHAN, *Louisiana Tech University, Ruston, LA, USA*
MARK H. TAYLOR, *Case Western Reserve University, Cleveland, OH, USA*
STEPHEN L. TAYLOR, *University of Technology-Sydney, Broadway, New South Wales, Australia*

GREGORY M. TROMPETER, *University of Central Florida, Orlando, FL, USA*
NORBERT TSCHAKERT, *Salem State University, Salem, MA, USA*
SUSAN G. WATTS, *Purdue University, West Lafayette, IN, USA*
THOMAS R. WEIRICH, *Central Michigan University, Mount Pleasant, MI, USA*
J. SCOTT WHISENANT, *The University of Kansas, Lawrence, KS, USA*
PAUL F. WILLIAMS, *North Carolina State University, Raleigh, NC, USA*
BERNARD WONG-ON-WING, *Washington State University, Pullman, WA, USA*
HONGKANG XU, *University of Massachusetts Dartmouth, North Dartmouth, MA, USA*
DOUGLAS E. ZIEGENFUSS, *Old Dominion University, Norfolk, VA, USA*

AMERICAN ACCOUNTING ASSOCIATION
CHIEF EXECUTIVE OFFICER
Yvonne L. Hinson

PUBLICATIONS DEPARTMENT
Stephanie Austin
Nate Smith
Peyton Fultz
Chelsea Matthews
David Twiddy
Jan Kovarik (subcontracted)

OTHER AAA STAFF

Steve Matzke	Erlinda Jones
Barbara Brady	Debbie Gardner
Shauna Bigelow	Beverly Collins
Barbara Gutierrez	Stephanie Glaser
Nancy Maciag	Kelli Rickrode
Michele Morgan	Jean Thompson
Connie O'Brien	Karen Toney
Michelle Russak	Kelly Lee
Mark VanZorn	Pat Stein
Joe Parisi	Mary Beth Gripshover
Suzanne Mullinnix	Darlene Dobson