

# 7

## Fraud

This unit covers:

### TOPICS

- Fraudulent activities in accounting
- Famous fraudsters
- Changes in accounting law
- Corporate fraud
- Forensic accounting investigations
- Tax avoidance

### SKILLS

- Reading: sequencing a text, word formation, identifying topic sentences
- Listening: listening for gist, listening and speaking
- Speaking: asking for clarification, presenting and explaining information
- Writing: paraphrasing, writing a short report, reporting results

## READING

### Section A Skills

#### TALKING POINT

'It is a fraud to borrow what we are unable to pay.'  
Publius Syrus

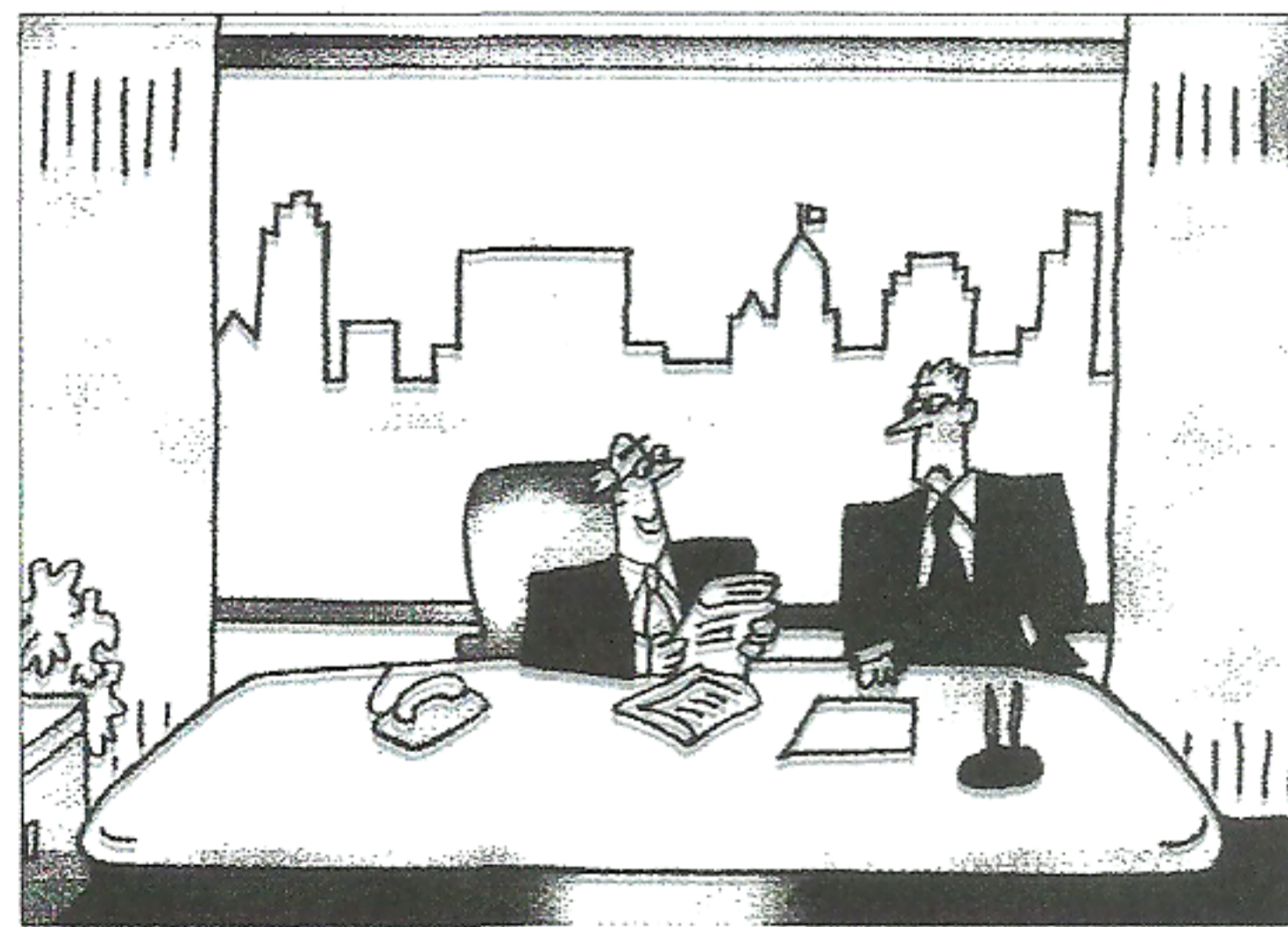
Discuss these questions.

- 1 What are the most talked-about cases of accounting fraud?
- 2 What effect have they had on the world of accounting?

#### 1 The language of fraud and crime

Match the words and phrases connected to fraud (1–11) with their definitions (a–k).

- |                          |  |
|--------------------------|--|
| 1 law suit               | a judgement made in court that someone is guilty of a crime          |
| 2 conviction             | b person who has been convicted of a crime                           |
| 3 to prosecute           | c to start legal proceedings against a person                        |
| 4 court ruling           | d case which goes to court   |
| 5 felon                  | e to reverse a decision made in court                                |
| 6 conspiracy             | f blocking the course of justice by refusing to give evidence        |
| 7 obstruction of justice | g to apply for a review of a court case by a higher legal authority  |
| 8 to overturn            | h an official decision made in court                                 |
| 9 abatement              | i plan by two or more persons to commit a criminal or fraudulent act |
| 10 defendant             | j act of annulling a court ruling                                    |
| 11 to appeal             | k person against whom a claim or charge is brought in court          |



'I'm afraid our accountants are being investigated for fraud – on the brighter side, our financial statements have made the *New York Times* best-seller fiction list.'