

Madoff: A Case Study in the AICPA Code of Conduct

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 have been estimated at \$50 – \$65 billion.

Bernard Madoff Investment Securities LLC was audited by a CPA. Unfortunately, Madoff's CPA apparently did not subscribe to the AICPA Code of 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.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 2 (CPA)

Category: Regulatory Ethics

Prerequisite: None

Advanced Preparation: None

Course Learning Objectives

After studying this course you will be able to:

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