**AC313 Chapter 13 Glossary**

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| **advanced sales skimming**   | Fraud committed when an employee collects cash from a customer, fails to record the sale, and gives the customer a forged receipt. |
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| **antisocial personality disorder**   | Maladjustment characterized by many negative personality traits; may be associated with higher risk of fraud. |
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| **approval**   | Review and acceptance of an authorized transaction. |
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| **audit trail**   | Transaction details that allow the forensic accountant to trace any transaction in any account back to one or more original source documents. |
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| **authorization**   | Act of granting authority to initiate a transaction. |
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| **basic sales skimming**   | Fraud committed when an employee does not record a sale but pockets the cash. |
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| **bid rigging**   | Falsification that occurs when a company insider gives an outside contract bidder privileged insider information so that the outside bidder obtains a bidding advantage. |
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| **check laundering**   | Process of stealing and manipulating checks and then using them to obtain cash or make payments. |
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| **check tampering**   | Process of illegally altering checks, typically for the purpose of cashing or using them under false or stolen identities. |
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| **check washing**   | Process of using chemicals to remove names, dates, or amounts from checks to make them into blank checks, which can make tracing them difficult. |
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| **direct file alteration**   | Fraud committed by sophisticated employee using system tools to directly access and modify accounting records without using the accounting system. |
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| **fraud triangle**   | Three important elements that can be present in most frauds: pressure, opportunity, and rationalization. |
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| **fraudulent credit approval**   | Intentionally granting credit to unqualified or fictitious customers. |
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| **improper credit**   | Credit given on an account fraudulently. |
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| **improper write-off**   | Fraudulent write-off of an account. |
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| **input manipulation**   | Electronic fraud that enters illegitimate transactions into the accounting system. |
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| **internal audit**   | Processes carried out by an internal auditor in enforcing the control policies and procedures and in helping to ensure that an audit trail is generated. |
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| **kickback**   | Fraudulent purchasing scheme in which the person responsible for making company purchases secretly receives compensation from the vendor. |
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| **lapping of accounts receivable**   | Fraud that occurs when an accounts receivable clerk with access to incoming payments steals them and hides the theft by manipulating the customer account records. |
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| **program alteration**   | Fraud committed by making unauthorized changes to the accounting software. |
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| **robbing the till**   | Fraud committed by stealing from the cash box. |
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| **short bank deposit**   | Fraud committed by failing to make a full deposit and then "pocketing" some of the cash. |
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| **shortchange sale**   | Fraud committed by confusing or distracting customers to give them less in change than they should be given. |
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| **swapping checks for cash**   | Fraud committed by an employee by removing cash from the cash drawer and replacing it with phony checks. |