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# Chapter 10

**Discovery and Use of Accounting Information and Accounting Experts in Construction Litigation and Arbitration**

Colin A. Johns and John W. Ralls

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**Appendix**

**Contractors’ Cost and Accounting Records to Consider Requesting in Discovery**

# Chapter 11

**Accounting Issues in Fraud Investigations**

Brandi N. Kleinman, Steven J. Kmiecik, Alan F. Nagorzanski, Rodney W. Sowards, and Daniel P. Wierzba

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**Opportunities for Fraud in the Construction Industry**

- Job Cost Reports
- Payment Applications
- Bonding Process
- Contract Performance

**Red Flags or Badges of Fraud**

- Off-site Storage or Delivery of Materials
- Excessive Front-End-Loading
- Out-of-Sequence Work
- Excessive Productivity
- Related Business Entities
- Questionable Journal Entries
- Numerous Bank Accounts

Fraud Prevention and Detection

- Precontract Project Controls
- Ongoing Project Analytical Procedures

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