

Ethics: Fraudulent Conduct and Misappropriation of Funds

**2026 APPALACHIAN
LAND INSTITUTE**

 **AAPL**
Powering The Profession

Felony Conviction

Ethics Scenario



Felony Conviction

- This session will increase your knowledge and ability to:
 - Explain AAPL's expectations for membership regarding felony convictions
 - Identify the appropriate actions to take if there is a felony conviction in an applicant's past
 - Determine what constitutes a violation of the AAPL Code of Ethics
 - Identify the Standards of Practice to which this scenario applies



True or False?

Completing and signing an application for membership in the Association, applicants authorize the AAPL to conduct a background check.



True or False?

The Ethics Committee routinely investigates allegations of false or fraudulent statements made on applications for membership in the AAPL.



True or False?

A previous felony conviction automatically disqualifies an applicant from potential membership in the AAPL.



Discussion Questions

When Manny and Avery approached Jordan to sponsor Manny's application for membership in the AAPL, what did Jordan counsel Manny to do?

In this case, how many of you think it's advisable to "let sleeping dogs lie" and not reveal the conviction?

How many feel "honesty is the best policy" and Manny should just answer truthfully?



Standards of Practice

What AAPL standards or principles are involved in this scenario?



Session Wrap-Up

- During this session, we:
 - Explained AAPL's expectations for membership regarding felony convictions
 - Identified the appropriate actions to take if there is a felony conviction in an applicant's past
 - Determined what constitutes a violation of the AAPL Code of Ethics
 - Identified the Standards of Practice to which this scenario applies



Misuse / Commingling of Funds

Ethics Scenario



Misuse / Commingling of Funds

- Successful completion of this session will increase your knowledge and ability to:
 - Identify consequences of commingling of funds
 - Identify unethical activity
 - Identify the Standards of Practice and Ethics Policies that are relevant to the scenario



Discussion Questions

The husband and wife lease buying team in this scenario, Mark and Presley, have a client who is inattentive or inept and is notoriously slow to pay invoices.

How many think their actions – moving money from personal accounts to cover sight drafts and using funds from the lease purchase account to pay their travel expenses – are justified because of the client's bungling?

Why or why not?



Discussion Questions

The client is causing serious problems for Mark and Presley. First, they must constantly contend with inadequate funding for the lease purchase account. Next, they are incurring finance charges while their invoices age. Neither issue is their fault, but they've been unable to get the client to deal with the problems.

What other options do they have, if any, to get the client's attention?



Standards of Practice

What AAPL standards or principles are involved in this scenario?



Session Wrap-Up

- During this session, we:
 - Identified consequences of commingling of funds
 - Identified unethical activity
 - Identified the Standards of Practice and Ethics Policies that are relevant to the scenario



Fraud – Day Rate Billing

Ethics Scenario

Fraud – Day Rate Billing

- Successful completion of this session will increase your knowledge and ability to:
 - Define unethical and illegal activity
 - Identify activities of fraud and collusion
 - Identify the Standards of Practice and Code of Ethics related to the scenario



Discussion Questions

To some extent, it's easy to see Stan as a victim of circumstance. Clearly, he'd rather have stayed in Mississippi and made the higher day rate. But that wasn't an option. Stan was compelled to move to a new area and forced to accept the lower day rate. Since none of this was within his control, was Stan in any way justified in taking steps to recoup the "lost" revenue?

Why or why not?



Discussion Questions

What was your reaction when Stan tried to recruit Corey and Allison into his scheme?



Discussion Questions

Put in their position, would you be inclined to join, to refuse or to simply remain silent about the whole deception?



Discussion Questions

When Corey and Allison reject the bait and refuse his overtures, Stan counterattacks and threatens to reveal some prior questionable conduct by Corey.

What offense did Corey commit that Stan planned to exploit?



Discussion Questions

What thoughts do you have on Corey's misconduct and Stan's tactics?



Standards of Practice

What AAPL standards or principles are involved in this scenario?



Session Wrap-up

- In this session, we:
 - Defined unethical and illegal activity
 - Identified activities of fraud and collusion
 - Identified the Standards of Practice and Code of Ethics related to the scenario

