REPORT OF JUDITH A. MALONE, BENTLEY UNIVERSITY ETHICS OFFICER,
CONCERNING DR. JAMES E. HUNTON

Pursuant to the Bentley University Ethics Complaint Procedures (“Ethics Policy”), this report summarizes the results of an eighteen-month investigation into two separate allegations of research misconduct that were received by Bentley in November 2012 and January 2013 against James E. Hunton, a former Professor of Accountancy. The complainants – one a confidential reporter (as defined in the Ethics Policy) and the other a publisher – alleged that Dr. Hunton engaged in research misconduct in connection with two papers that he published while a faculty member at the University: “A Field Experiment Comparing the Outcomes of Three Fraud Brainstorming Procedures: Nominal Group, Round Robin, and Open Discussion,” *The Accounting Review* 85 (3): 911-935 (“Fraud Brainstorming”) and “The Relationship between Perceived Tone at the Top and Earnings Quality,” *Contemporary Accounting Research* 28 (4): 1190-1224 (“Tone at the Top”).

Because of concerns regarding Fraud Brainstorming that the editors at *The Accounting Review* had been discussing with Dr. Hunton since May 2012, the editors withdrew that paper in November 2012. Bentley received the allegation of research misconduct from the confidential reporter later that month. The confidential reporter also raised questions about ten other articles that Dr. Hunton published or provided data for while he was at Bentley, which, the reporter alleged, raised similar questions of research integrity.

In my role as Ethics Officer, it was my duty to make the preliminary determination about whether the allegations warranted a full investigation. To make that determination, I met with Dr. Hunton in person when Bentley received this allegation, after I first instructed Bentley IT to back up and preserve all of his electronic data stored on Bentley’s servers. During that meeting, we discussed the allegation, I explained the process that would be followed if I found an investigation was warranted, and I described the need for his cooperation, including the specific admonition that he preserve, and make available to me, all relevant materials, including electronic and paper documents. This information and these instructions were confirmed in writing to Dr. Hunton. Dr. Hunton resigned shortly after that meeting, which coincided with my determination that a full investigation was warranted.

In January 2013 as the investigation was just getting underway, Bentley received the second allegation of research misconduct from the editor of *Contemporary Accounting Research*. The editor had contacted Dr. Hunton directly in November 2012 with concerns about Tone at the Top after the Fraud Brainstorming paper was retracted. The journal brought the issue to Bentley’s attention after the response it received failed to resolve its concerns. When Bentley received this second allegation, I informed Dr. Hunton of it, as well.
Pursuant to the Ethics Policy, Professor Daniel Everett, the Dean of Arts and Sciences, and I asked M. Lynne Markus, Poduska Professor of Information Process and Management, and Joseph Newpol, Professor of Law, Taxation and Financial Planning, to be the fact-finders in an investigation into both allegations. I advised Dr. Hunton, and his attorneys, of this decision and I reiterated the necessity that he preserve all documents and information, make these available to the University, and make himself available to be interviewed by the fact-finders.

The fact-finders recently completed their work, and this report is based upon their findings and the information that was gathered for them by a research assistant and a forensic consulting firm retained by the University for the purposes of this investigation.

1. **Dr. Hunton engaged in research misconduct by fabricating the data underlying Fraud Brainstorming and Tone at the Top.**

   Based on the totality of the evidence – the evidence found among Dr. Hunton’s files, the evidence missing from Dr. Hunton’s files, and negative inferences based on Dr. Hunton’s conduct – the conclusion that the data reported in these two papers were fabricated is compelling.

   A. **Summary of the evidence compelling the conclusion that the data were fabricated.**

   In both the case of Fraud Brainstorming and Tone at the Top, Dr. Hunton was the only author who had any access to the original data or to the identity of the firms that were supposedly the sources of the data. Dr. Hunton repeatedly told Bentley, his co-authors and journal editors that strict confidentiality agreements prevented him from sharing with them the original data or the identities of the CPA firm (the supposed source of the data reported in Fraud Brainstorming) and the consulting/training firm (the supposed source of the data reported in Tone at the Top). He claimed that disclosure of either the data or the identities of the firms would result in him being subject to lawsuits, to the loss of his CPA license, and to a loss of confidence in the field and thus access to further research opportunities.

   Since Dr. Hunton never shared the original data or, with one exception, any copies of any confidentiality agreement with anyone, the fact-finders undertook an extensive review of Dr. Hunton’s Bentley data to determine whether they could confirm the validity of the data, the identity of the sources of the data, and the existence of the confidentiality agreements that Dr. Hunton described. Nothing of the kind was found.

   Data: The investigation revealed many copies of summary spreadsheets – the kind of summary information that Dr. Hunton had shared with his co-authors – but nothing that could reasonably be described as original data. There were no copies of completed questionnaires or other raw data that one might have expected to find.

   Sources: With respect to the sources of the data, the investigators mined his files for the identity of any major accounting firm that might reasonably have supplied the data reported in Fraud Brainstorming, and any training or consulting firm that might reasonably have supplied the data reported in Tone at the Top. Each of the accounting firms that, based on the review, might have
partnered with Dr. Hunton on the Fraud Brainstorming study was contacted and each willingly conducted an internal review to answer our inquiries. None was able to find any evidence that it had a research relationship with Dr. Hunton or any evidence that it had been the source of the data. No training or consulting firms (the supposed sources of the data in the Tone at the Top paper) were contacted because none could be identified in Dr. Hunton’s files.

Confidentiality Agreements: The investigation recovered from Dr. Hunton’s computer copies of multiple versions of confidentiality agreements purportedly governing these two articles. These agreements – none of which indicated that they had been executed – all revealed unusual redactions, contradictory dates, and – most damaging of all – evidence that the documents had been revised after allegations were raised to make the documents’ prohibitions of disclosure more stringent. One of the firms, whose name appeared in one version of a confidentiality agreement, reviewed the document at Bentley’s request and reported that it bore no resemblance to any document that it ever used with research partners.

B. Dr. Hunton’s conduct supports the conclusion that he engaged in research misconduct.

Despite having been cautioned on numerous occasions to retain all relevant documents concerning these papers, Bentley discovered after Dr. Hunton resigned that his office had been completely cleaned out of all physical files, and that his laptop had been wiped clean of all of his electronic files. Statements by Dr. Hunton found among his emails stored on Bentley’s servers strongly suggest that he had begun the process of removing or destroying files sometime in the fall of 2012 – prior to the time that Bentley had been informed of any allegations but after The Accounting Review had approached Dr. Hunton directly about the validity of the data in Fraud Brainstorming.

The investigation required, therefore, that Bentley engage a forensic consulting firm and a research assistant to analyze the hard drive of his laptop computer, to undertake recovery efforts, and to analyze and review the results of those recovery efforts. The consultant’s forensic analysis and recovery efforts revealed that Dr. Hunton’s laptop once housed a great deal of electronic data, and revealed no evidence to suggest that the data had been inadvertently lost. To the contrary, the forensic analysis discovered that an “eraser” utility had been loaded onto the laptop during the fall of 2012. This analysis also revealed that a second utility, which permits users to manipulate the creation dates in certain metadata fields in certain kinds of files, had also been loaded onto the laptop during the fall of 2012. Further analysis determined that the eraser utility had been run multiple times during that fall in an attempt (only partially successful) to delete all of the files on the laptop – including the metadata manipulation utility.

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1 For example, the one version of one of the agreements that Dr. Hunton shared with one of his co-authors appeared to have been edited in late 2012 to include the names of his co-authors as individuals with whom Dr. Hunton could share the data – but the agreement bore an effective date in 2007, months before one of the co-authors started working with Dr. Hunton.
An exhaustive review was also undertaken of data sequestered at the outset of the investigation, both on Bentley’s active servers and stored in offsite facilities. The fact-finders determined that there were significant gaps in Dr. Hunton’s saved emails. The existence of these gaps, together with Dr. Hunton’s known expertise in information technology and forensic accounting, support the conclusion that Dr. Hunton regularly took steps over the years to prevent relevant emails from being captured on Bentley’s servers and backup programs, and thus from being available for review should questions arise later (even years later).

In addition to evidence that Dr. Hunton prevented the retention of, or destroyed, physical and electronic data prior to his resignation from Bentley, Dr. Hunton failed to cooperate with the investigation. He never provided original documents that he agreed to provide after Bentley received the first allegation, and he declined to speak with or meet with the fact-finders. Shortly after the first allegation was made, Dr. Hunton abruptly resigned from Bentley and within several weeks sold his home and moved out of state. He repeatedly declined to participate in this investigation because, according to his lawyer, he has a “crippling” medical condition. Requests for documentation of that condition and offers to make reasonable accommodations to deal with it were met with silence. Bentley University sent Dr. Hunton through his lawyer a copy of this report to give Dr. Hunton an opportunity to respond. Dr. Hunton’s lawyer informed Bentley University that Dr. Hunton continues to assert that he did not fabricate or alter any research data, but Dr. Hunton offered no information to support that assertion and did not dispute any of the factual evidence set out in this report.

One would reasonably expect that someone who worked so deliberately to develop an international reputation for prolific, high-quality research would be eager to assist his home institution and his former colleagues in refuting allegations of research misconduct. Dr. Hunton failed to do that. We can only draw the negative inference from his lack of cooperation with the investigation that he chose that course in order to keep us from learning that he had engaged in research misconduct by fabricating data for the Fraud Brainstorming and Tone at the Top papers.

C. Bentley finds that Dr. Hunton committed research misconduct in the Fraud Brainstorming and Tone at the Top papers.

The evidence summarized in the subsection A regarding data fabrication, coupled with the evidence summarized in subsection B regarding Dr. Hunton’s actions to impede, and not to cooperate with, the investigation require the conclusion that Dr. Hunton is guilty of research misconduct in the Fraud Brainstorming and Tone at the Top papers.

After advising his co-authors on the Fraud Brainstorming and Tone at the Top papers of these findings, we will notify the journals in which these papers were published of the findings, and ask Contemporary Accounting Research to withdraw Tone at the Top (The Accounting Review having already withdrawn Fraud Brainstorming in November 2012).
D. There is no evidence that Dr. Hunton’s co-authors were aware of or complicit in Dr. Hunton’s misconduct.

Dr. Hunton wrote both papers with co-authors who were junior to him, and who relied on his stellar reputation in the fields in which he researched and taught for many years. In both cases, Dr. Hunton was the sole source of the data used in the analyses, and he only provided his co-authors summaries of the data supposedly collected from field research at the CPA and consulting/training firms. In both cases, he told his co-authors that he was subject to strict confidentiality agreements that prohibited him from disclosing the identity of the firms even to them.

Each of the co-authors cooperated in this investigation. The investigation failed to reveal any evidence that the co-authors of Fraud Brainstorming or Tone at the Top were aware of, much less complicit in, any research misconduct in either of those papers.

2. The whole body of Dr. Hunton’s extensive research while a faculty member at Bentley University must now be considered suspect.

Given the conclusive evidence of research misconduct in the Fraud Brainstorming and Tone at the Top papers, Dr. Hunton’s failure to cooperate with the investigation, and his destruction and manipulation of documentary evidence, Bentley must consider the possibility that these are not the only two papers for which the data were fabricated by Dr. Hunton. He published approximately 50 papers while at Bentley, and there is reason to believe that many of those papers involved data that were provided by Dr. Hunton alone, as in the case of the Fraud Brainstorming and Tone at the Top research. Bentley University wrote to all of the authors of the additional papers identified by the confidential reporter to ask if they could personally verify the source of the data. Of the authors who responded, some said they were confident the data were valid, but none was able to produce original data or to identify with certainty the source of the data. Instead, and like in the case of Fraud Brainstorming and Tone at the Top, Dr. Hunton appears to have supplied the data allegedly obtained through his contacts within the accounting field, and provided the co-authors only summary spreadsheets of the data.

Bentley cannot determine with confidence which other papers may be based on fabricated data. We will identify all of the co-authors on papers Dr. Hunton published while he was at Bentley that involve research data. We will inform them that, unless they have independent evidence of the validity of the data, we plan to ask the journals in which the papers they co-authored with Dr. Hunton were published to determine, with the assistance of the co-authors, whether the data analyzed in the papers were valid. The various journals will then have the discretion to decide whether any further action is warranted, including retracting or qualifying, with regard to any of Dr. Hunton’s papers that they published.