

# UK Fraud Debunks Common Fraud Misnomers

Submitted by: UKFraud.co.uk

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As part of a continuing drive to inform the commercial world about fraud prevention tactics and risks, UK Fraud ([www.ukfraud.co.uk](http://www.ukfraud.co.uk)) has published a list of common fraud misnomers. These include:

## 1. Mega Fraudsters Are Responsible For Most Fraud.

The vast amount of fraud in most developed countries takes place from lots of people stealing more modest amounts from government and from large corporations. So whilst we may occasionally read about the \$ multi-million losses perpetrated by individuals, this is comparatively rare. There are many tens of thousands of people who steal \$10 - \$10,000 every day through false benefit applications, bogus grants, insurance claims, local authority claims, injury claims, stolen card usage and walking away from utility bills or internet orders. Oddly, the widespread deployment of IT systems to manage business processes often makes fraud easier, as fraudsters prefer such faceless processes to dealing with real people.

## 2. In The Workplace, The Fraudster Often Stands Out From The Others.

Where internal fraud occurs (i.e. fraud by staff), it is most frequently perpetrated by two distinct groups of people, both equally surprising:

a) young administrative employees mostly female, as they are usually more familiar with the systems and administrative gaps and may be motivated by an oppressive partner or a drink / drug habit;

b) The male "long service pin" highly trusted manager. Often the corner-stone of the office, who feels he has been overlooked for promotion, is overburdened with debt, work or family and could be suffering from other pressures such as a gambling, drink or drugs habit. 'Keeping up with the neighbours' also often plays a part. More recently though, there is increasingly a problem that some of these guys feel that they have been excluded by social media and know they that are either 'on the shelf' or worse sat 'in the exit lounge'. The psychological entitlement pressures exacerbated by being left technologically behind just become too much. When discovered, people are always shocked that 'good-old George' in accounts would 'go that way'; and 'good-old George' is often equally surprised to have been caught.

## 3. Fraudsters Are Loners And They Do Not Take Holidays.

There are two major falsehoods with staff fraud that persist, even at some quite senior levels:

a) The fraudster is the one who doesn't take holidays. This is still routinely believed, but is rarely actually the case as fraudsters like to spend time away as we all do, especially with all those 'ill-gotten gains'. Only where the fraud needs to be constantly covered up though, will this old adage be true. An example of this would be the need to be present for constant 'balancing of the books' and 'explaining away the differences'. This is far rarer these days as remote IT system access removes much of the need to be present;

b) The fraudster is the quiet loner that we do not know much about. It may be true sometimes, but generally having a good rapport with others in an office can help with the cover up. Often fraudsters use their interpersonal skills to good effect.

#### 4. The Mob Is Only In Southern Italy Or Eastern Europe, Is Invisible But Will Be Busted By The Authorities At Some Stage.

Organised crime is often described or even romanticised as the activities of 'underground' or secretive organisations. There are preconceptions that this is Mafia related or part of the new Eastern European zeitgeist. However, there are renowned, high-profile centres right across Europe (and indeed the rest of the World) for organised fraud activity. These include particular postal hubs, data processing centres or even individual companies from where fraud seems to routinely emanate. Fraud specialists will know about a lot of these, but struggle to work out how to launch their attack on whomever it is that is causing the problems. In these cases, co-ordinated international help, and an inside understanding of 'the foe' is often needed to get to the bottom of the fraud.

#### 5. Don't Look Now..... It's Too Late!

Many major fraud problems in business and even governments will never get into the public or media's eye; and are regularly 'brushed under the carpet' to avoid potentially damaging publicity. Why? Well, in reality the best way to act is to deter potential fraudsters by prosecuting every fraudster with the full force of the law; but sadly this is often not possible. Exposure will often show that the bosses of these businesses, departments and even countries, did not find the frauds at an early stage or were unaware of the full consequences of the fraud until far too late – i.e. long after the horse has bolted. The delays in deciphering the data or in gathering evidence cleverly concealed in IT systems if leaked into the public domain, would be hugely embarrassing and almost certainly upset the shareholders too. Therefore it remains hidden.

#### 6. Every Country Possesses A 'Fraud Fighting Champion'

Who controls, monitors and regulates fraud in your country? If you are resident in the UK, for example, then please write and tell us. We are really not sure what the answer is. We know that in the UK, it is believed that fraud costs the country £38 Billion each year - that's £38,000,000,000 - or more than £600 per man, woman and child! There are some politicians and a whole assemblage of senior civil servants in the Cabinet Office who might claim the throne as theirs. Then there is National Fraud Authority tasked to 'do something' and the Cyber Crimes Unit tasked to 'do something else' but we have yet to see any joined-up integrated fraud strategy to support this. The situation is even vaguer when it comes to the UK's approach to fighting fraud originating outside the UK.

#### 7. Be You Own Fraud Fighter – Contrary To Opinion You Can Now Strike Back!

We are all aware of all those spoof emails, telling us that we can have a share of US\$6,000,000 if we help transfer money. Usually this is at the behest of an uncle or widow of a major banana politician who needs help in a foreign state. As you might by now expect, they all ask us for our bank details. Instead of letting them 'reel you in', you and I can now have a go at 'scammer-baiting' i.e. conning the

comment themselves. There are a number of sites that can help you understand how to do this; search google for 'Scam the scammers'. Even if you don't feel like doing this, there are some entertaining stories to be read on numerous sites.

Commenting on the list of common misnomers, Bill Trueman CEO of UKFraud.co.uk noted, "Before we can make a real impact in driving down levels of fraud, one has to create awareness of where the real issues are and by contrast where the old wives tales have crept in. By highlighting common misnomers we aim to help in this process."

Ends

About UKFraud.co.uk ([www.ukfraud.co.uk](http://www.ukfraud.co.uk))

UKFRAUD.co.uk is a leading UK based consultancy, with an impressive international track record of eliminating the risk of fraud. Its founder Bill Trueman is widely accepted as one of Europe's leading fraud experts and a frequent commentator and writer on the issues involved. Trueman has extensive experience of the banking, insurance and the financial services sectors and is a thought leader at the forefront of many industry wide and international debates.

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