

What is Fraud?



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What is Fraud?

Irregularity is:

- *any infringement of a provision of Community (act or omission)*
- *impacts the general budget of the European Union*

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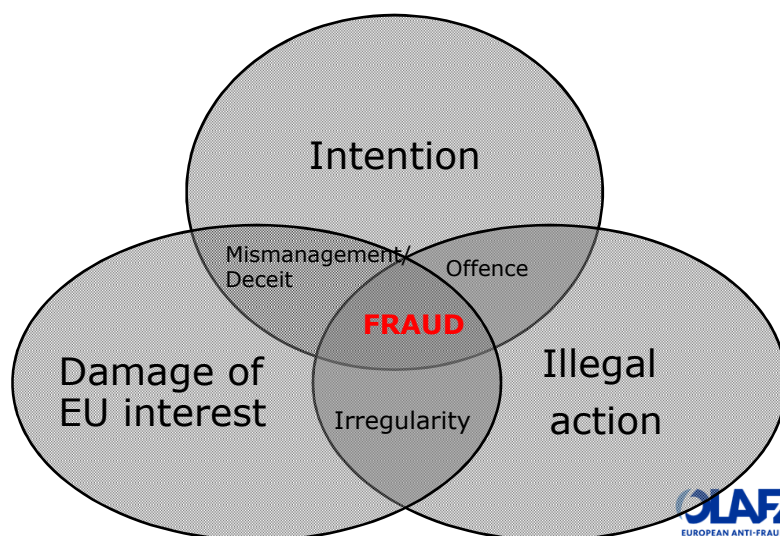
What is Fraud?

Fraud covers a range of irregularities and illegal acts characterized by intentional deception or misrepresentation, damaging interests of the EU

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What is Fraud?



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Exercise 1.

Fraud or Irregularity?

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Fraud or Irregularity?

- 1. A company was a member of a research network and produced machinery with the support of EU funds. It fell bankrupt and could not fulfil its contractual obligations towards the project coordinator. Following the bankruptcy, the former director seized the equipment which should have been delivered to the project coordinator, and attempted to sell the product to the network.
- 2. A representative of a company made false statements regarding eligibility for an SME status, when applying for an EU grant. The company submitted an altered annual balance sheet and declared lower number of employees in order to fulfil the criteria for SME eligibility.

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Fraud or Irregularity?

- 3. A University, which was a member of a consortium, submitted to the consortium leader a technical and financial report. In the financial report the University miscalculated overhead costs by 5%.
- 4. Lack of information board with figures about the EU financing of an infrastructure project. The board has not been made and its cost has not been claimed as an expenditure.

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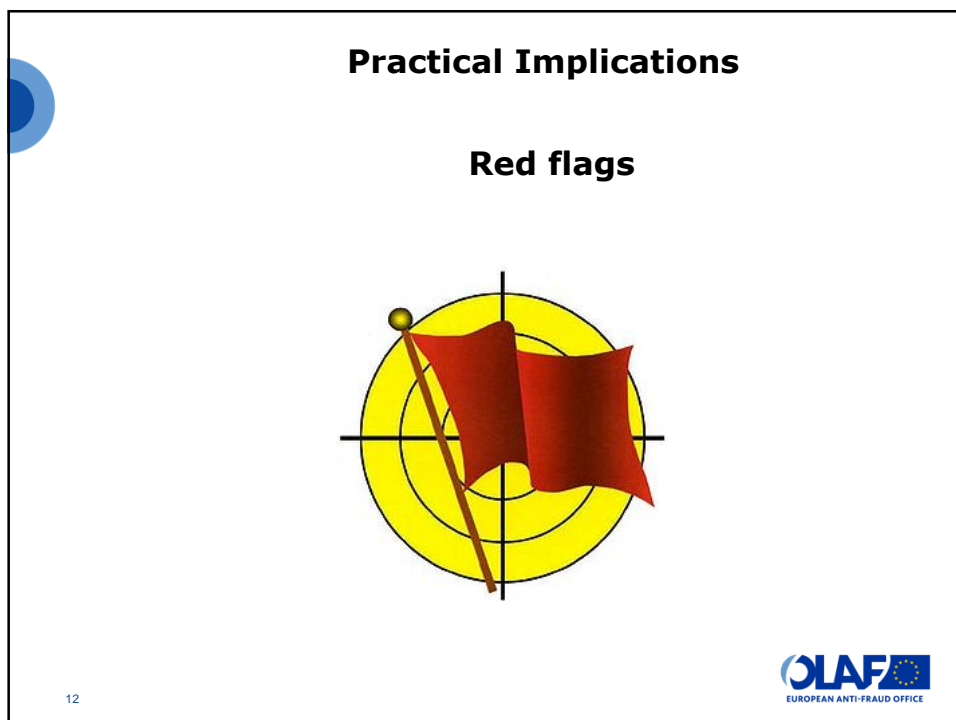
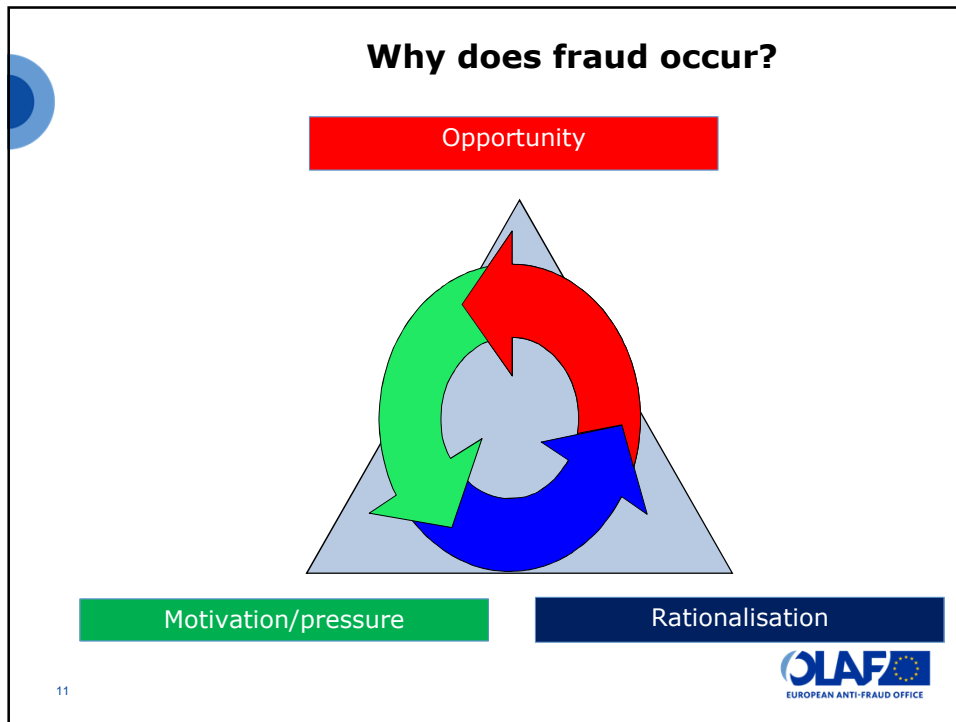


Fraud or Irregularity?

- 5. A group of independent companies was meeting to agree their bidding strategies in several call for tenders published in a region. The companies were in a position of monopoly. They agreed upon the prices they would submit to the selection committee.
- 6. The selecting committee dispatched tender notices for procurement of several infrastructure projects just before the Christmas holidays with the minimum time, provided by law, left for response from the companies.

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Practical Implications

Red flags **are:**

warning signals, hints, indicators of possible fraud!

The existence of a red flag does **not** mean that fraud exists but that a certain area of activity needs extra attention to exclude or confirm potential fraud.

Some patterns, practices and specific forms of activity are red flags that **could signal** irregularities or fraud.

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Exercise 2.

What could be a fraudulent behaviour behind the following red flags?

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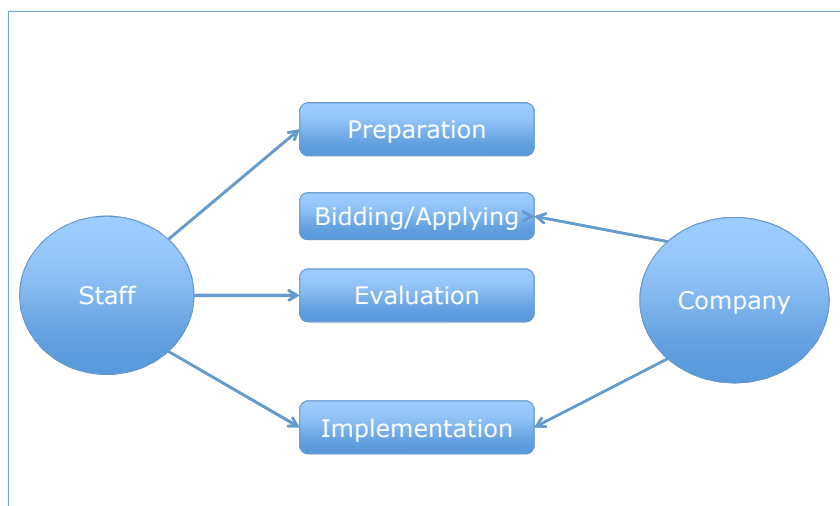


Exercise 2.

- "unexplained favourable treatment of an applicant/contractor over a period of time"
- "bidder's main area of activity according to its website is different than the scope of the tender"
- "invoice issued at the end of the year has a low serial number"

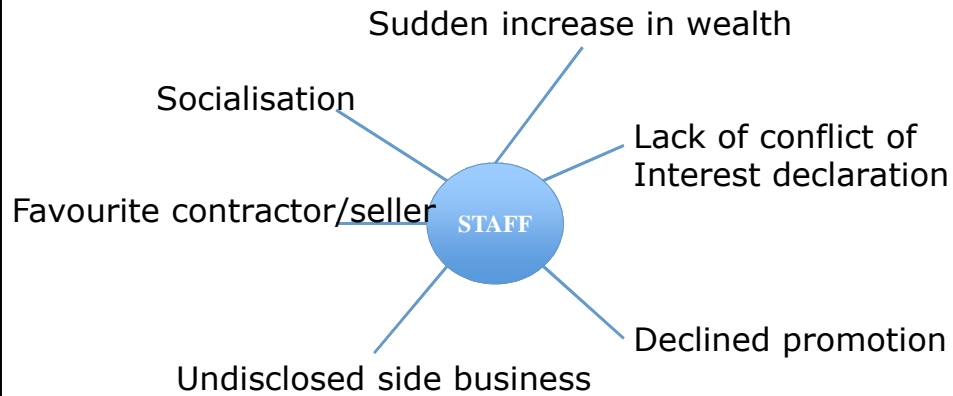
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Red Flags



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Undisclosed conflict of interest

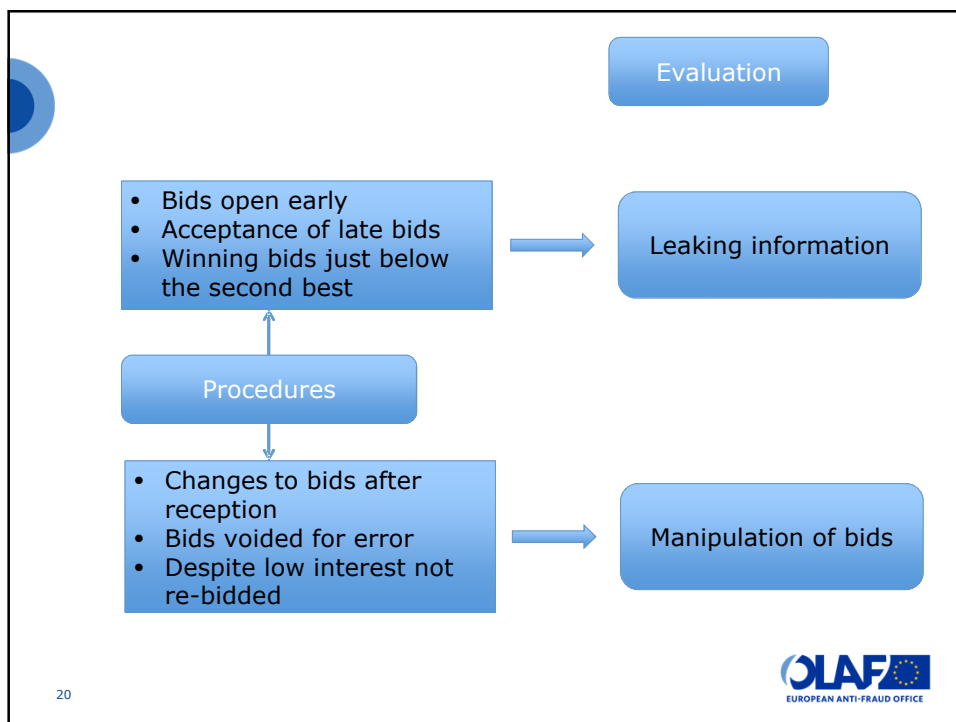
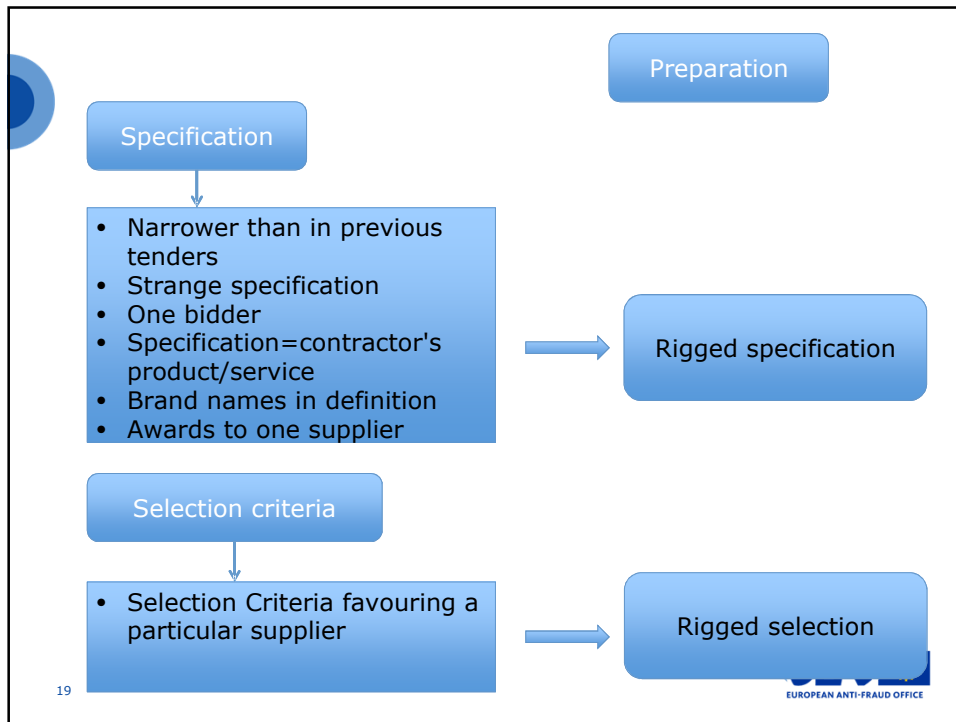


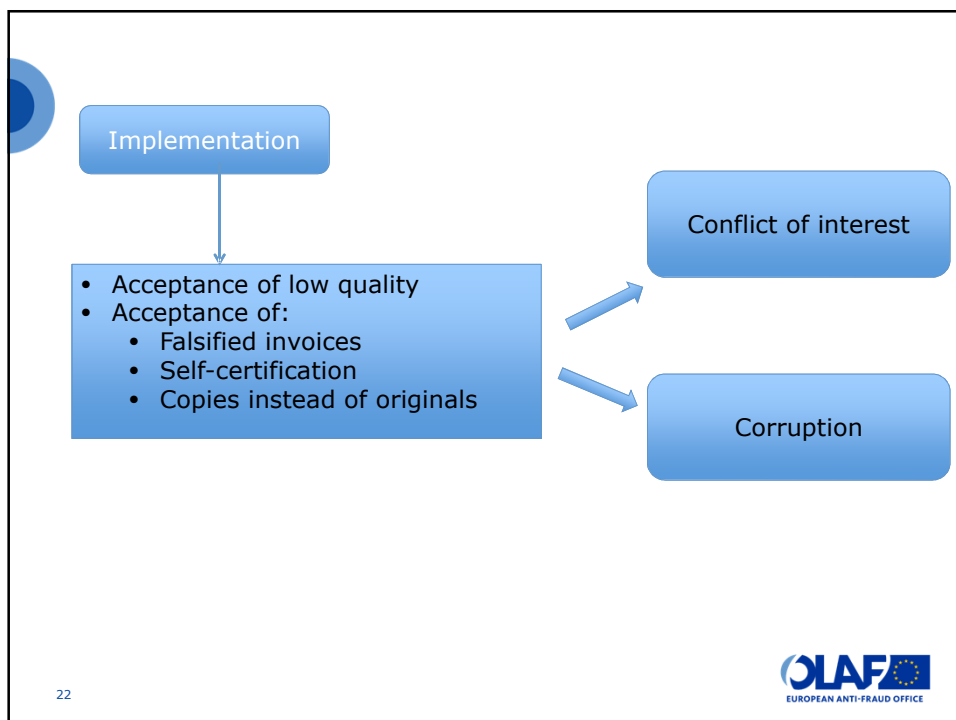
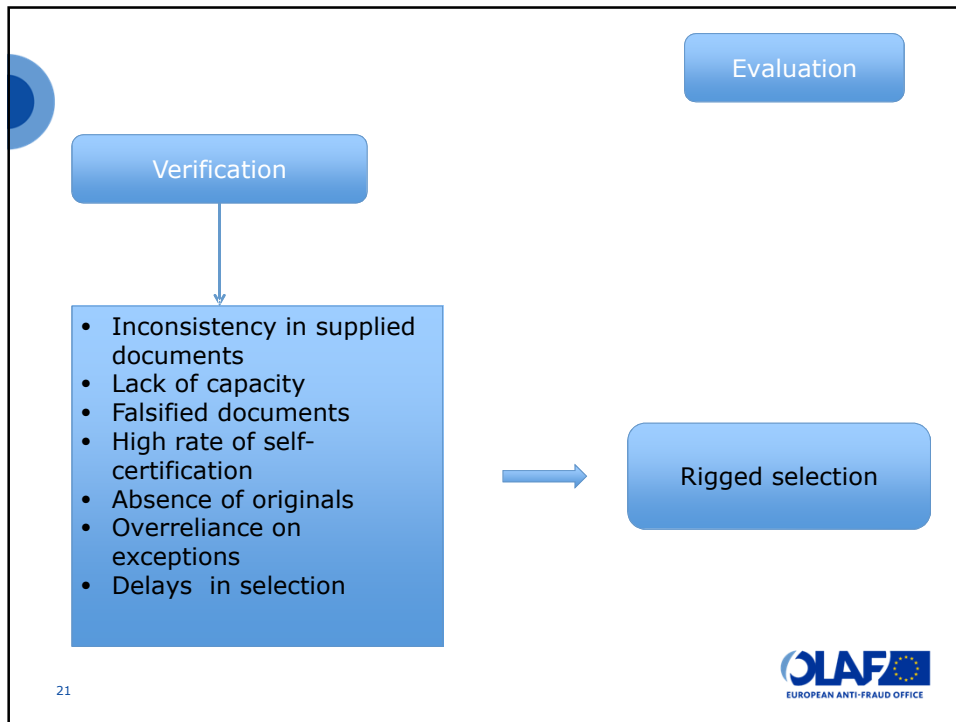
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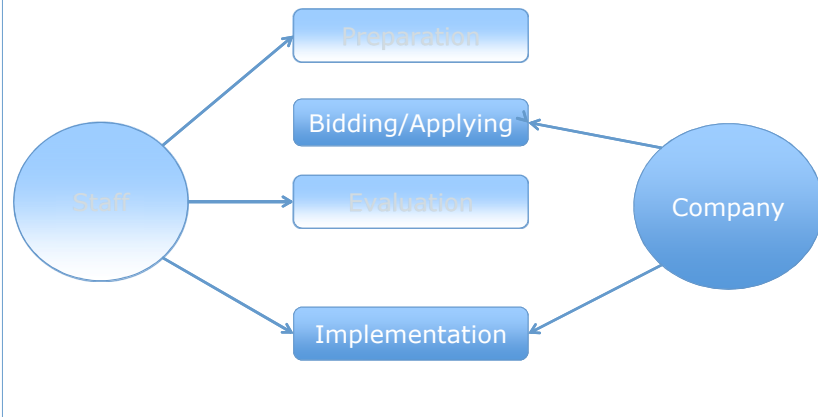




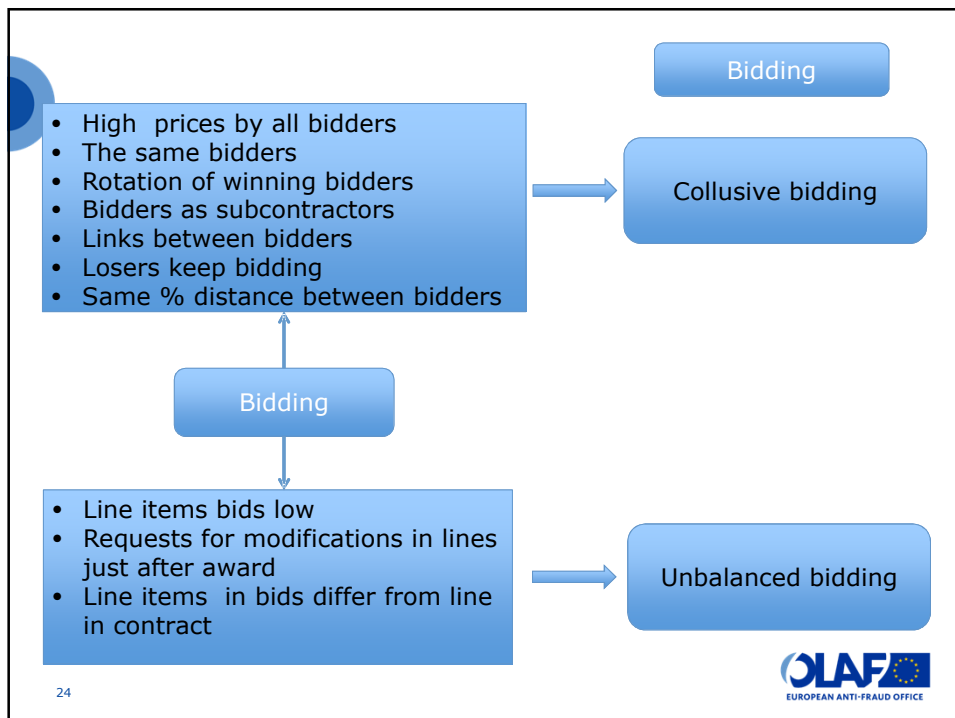


Red Flags

Procurement

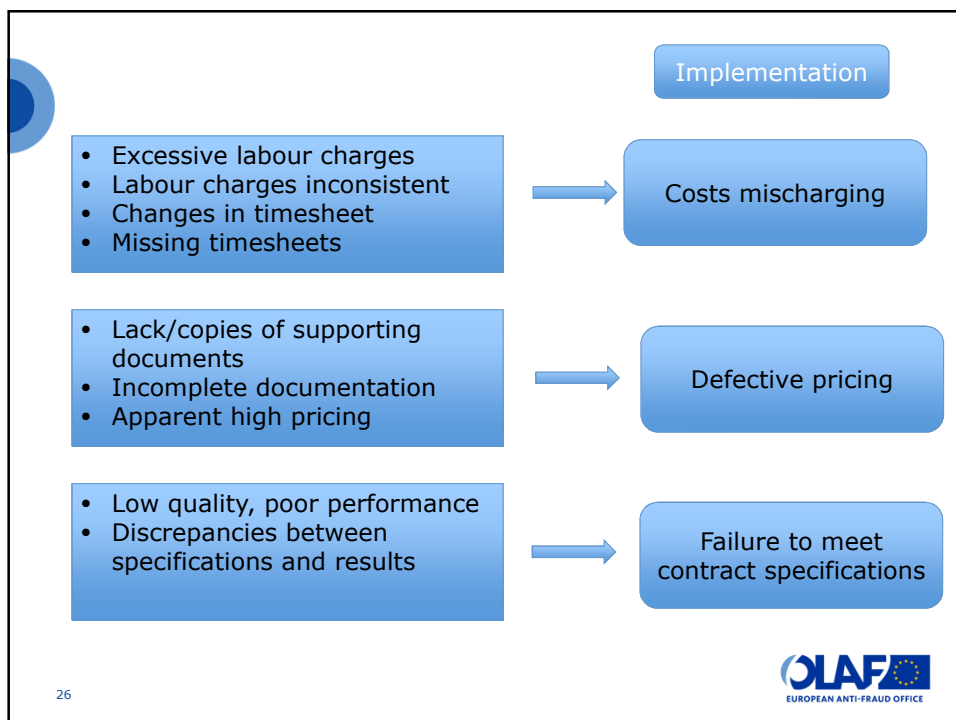
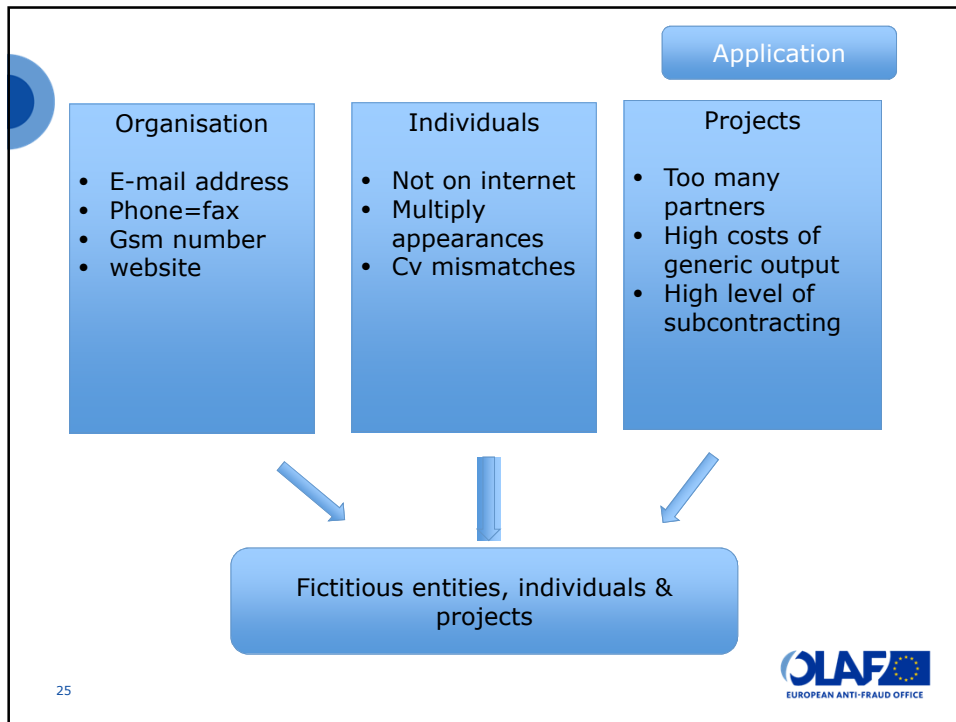


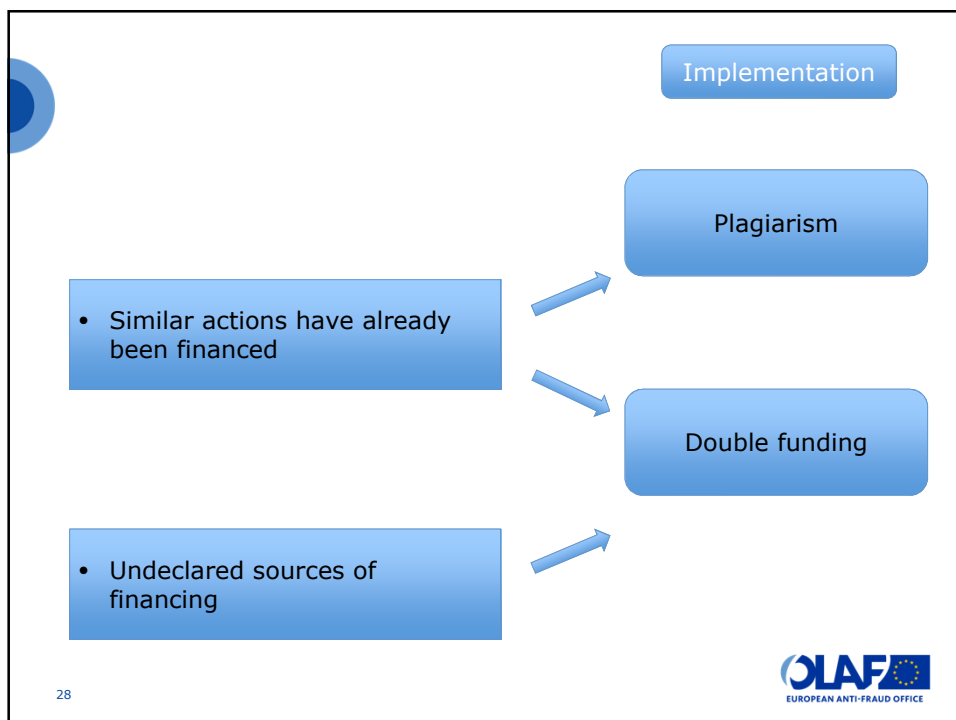
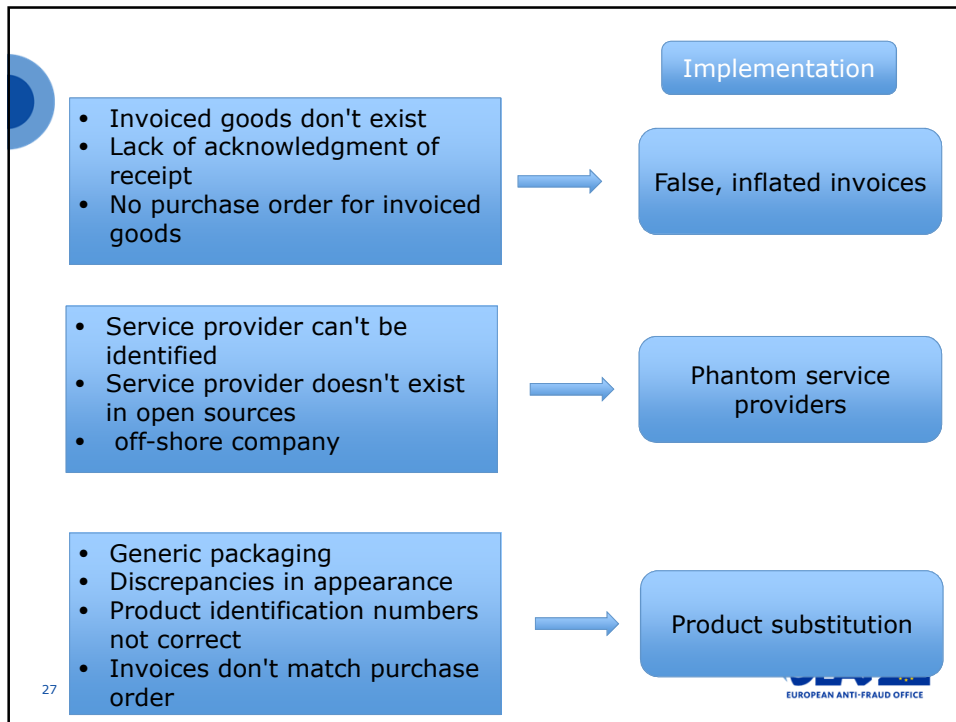
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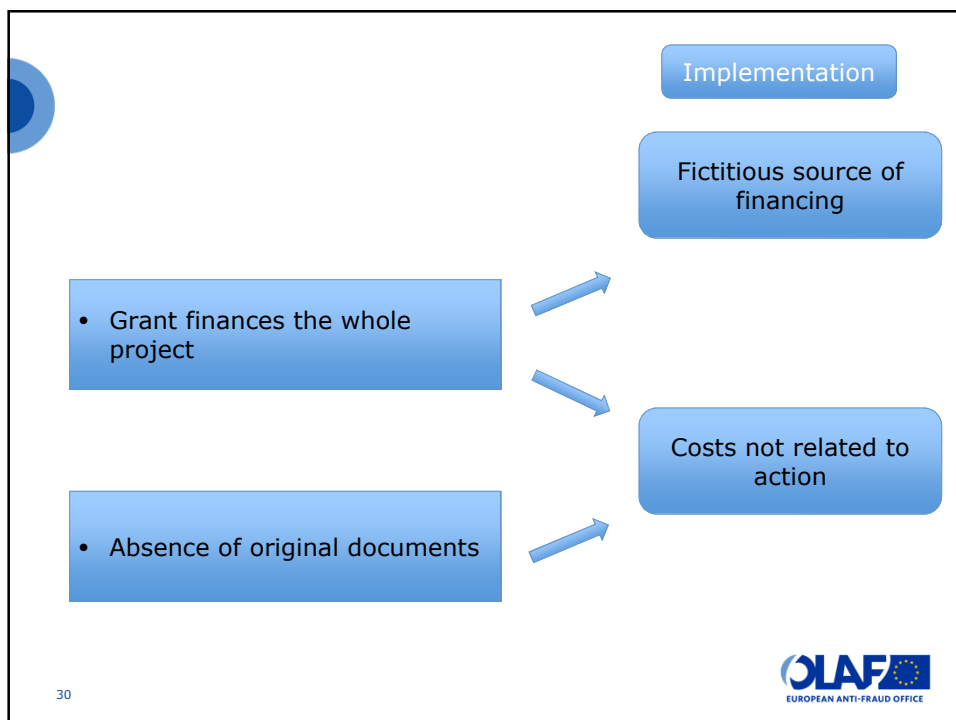
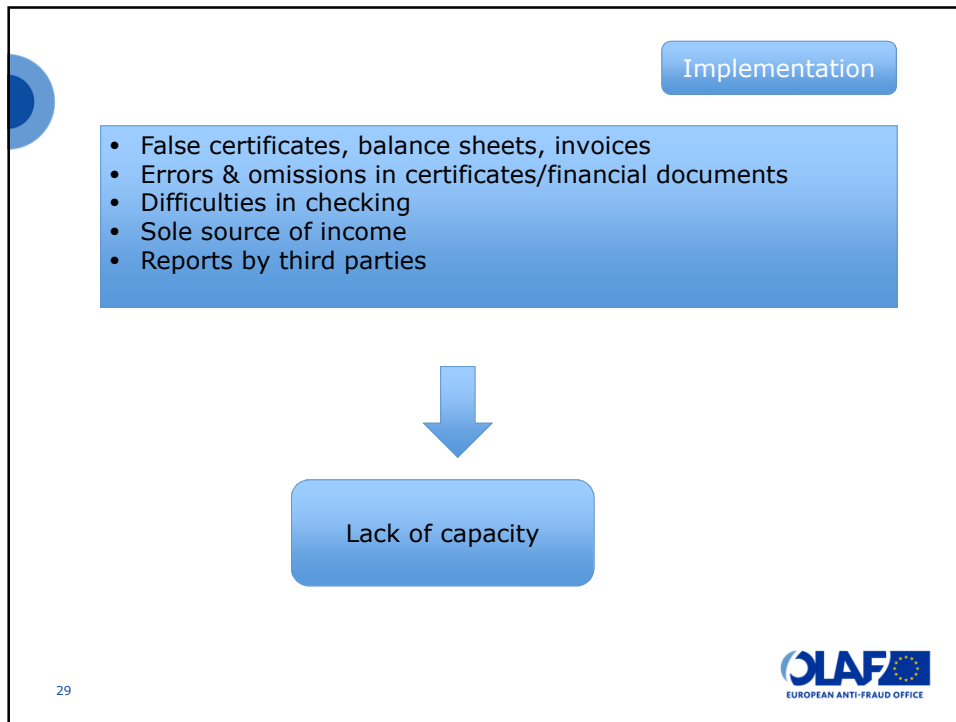


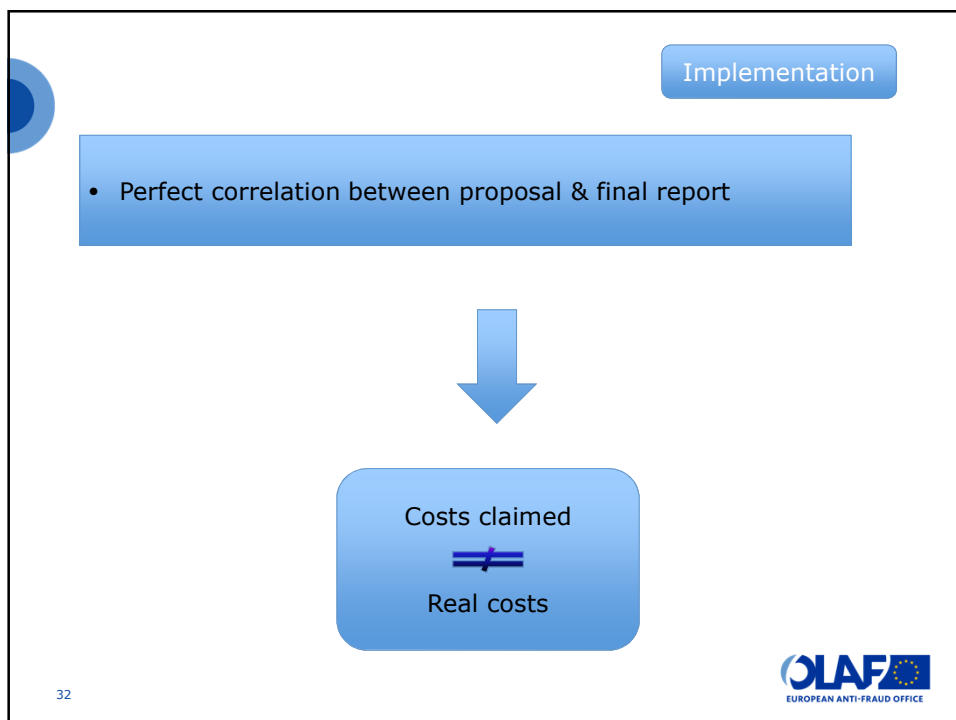
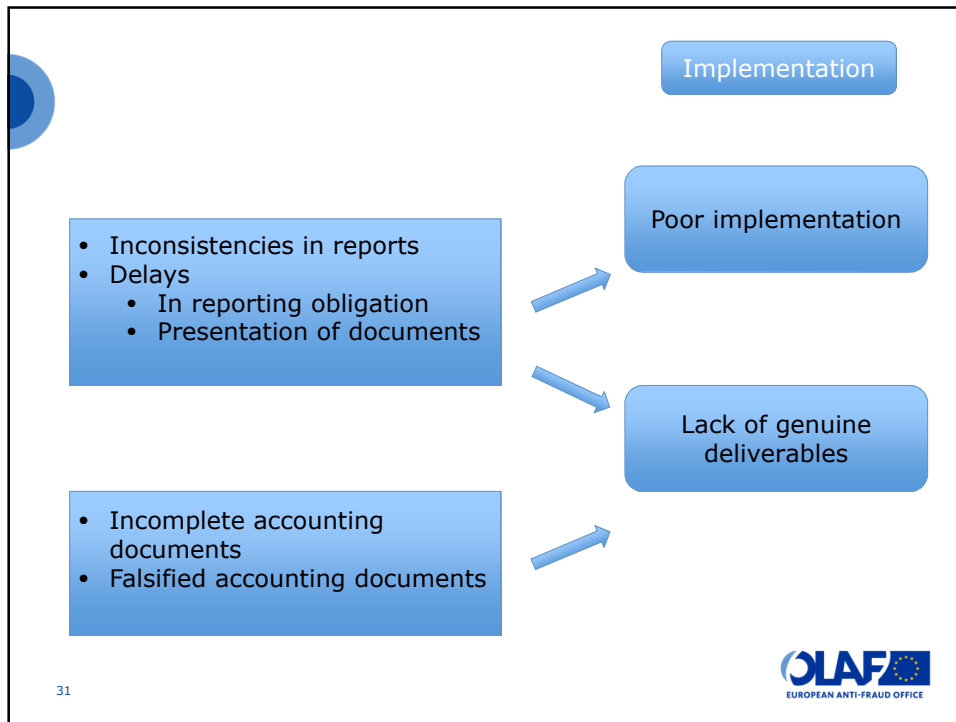
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Exercise 3.

What could be a red flag?

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Exercise 3.

Fraud Pattern

- A district community centre received a grant under decentralised management and launched a call for tenders in order to provide training via an external contractor
- The district community centre failed to analyse market prices and conditions for the services to be provided
- The evaluation and selection committee included members without the skills necessary to evaluate the offers submitted by the bidding companies and who were in an unclear situation as regards conflict of interests
- The winning tenderer submitted a signed proposal on behalf of a second company, which was not aware of the submission
- The subcontractor of the first company bade for the same tender under different company names

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Exercise 3.

Red Flags

- Unjustified high prices
- Request for change of contract
- Low number of bidders
- False documents

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Practical Implications

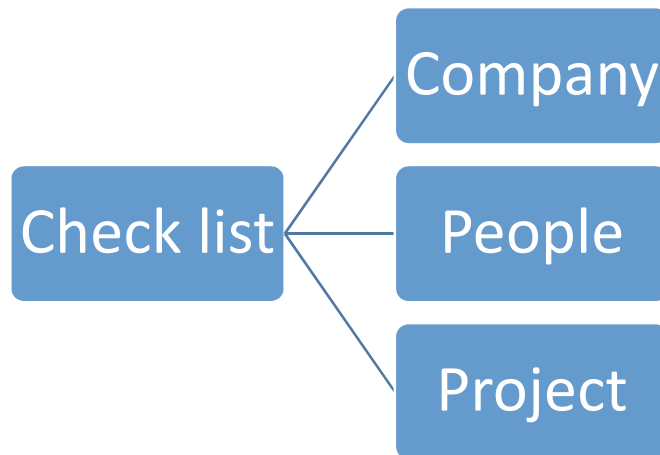
Detection tools



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Tools



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Tools - Companies

Company registers

<http://www.acci.gr>

<http://www.commercial-register.sg.ch/home/worldwide.html>

<http://www.companieshouse.gov.uk/links/introduction.shtml>

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Company register extract

Name & Registered Office:
WALDEK LIMITED
 8B ACCOMMODATION ROAD
 LONDON
 NW11 8ED
 Company No. 03742215

Status: Active
 Date of Incorporation: 29/03/1999
 Country of Origin: United Kingdom

Company Type: Private Limited Company
 Nature of Business (SIC):
 99999 - Dormant Company

Accounting Reference Date: 31/03
 Last Accounts Made Up To: 31/03/2013 (DORMANT)
 Next Accounts Due: 31/12/2014
 Last Return Made Up To: 29/03/2013
 Next Return Due: 26/04/2014

Mortgage: Number of charges: (0 outstanding / 0 satisfied / 0 part satisfied)
 Last Members List: 29/03/2013

Previous Names:
 No previous name information has been recorded over the last 20 years.

UK Establishment Details
 There are no UK Establishments associated with this company.

Overseas Company Info
 There are no Overseas Details associated with this company.

 [Order information on this company](#)

 [Monitor this company](#)

[SEARCH FOR ANOTHER COMPANY](#)

Tell Us

- Are you satisfied with our service?
- Have you got a question?

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Company location

Google maps – Location of a big insurance company



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Tools - Companies' websites

IT tools

Web archives

<http://www.archive.org/web/web.php>

Website Domains

<http://www.domaintools.com/>

<http://www.networksolutions.com/whois/index.jsp>

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Tools - Companies' websites



<http://www.networksolutions.com/whois/index.jsp>

WHOIS *behind that domain?*

Search all WHOIS Records

Search by either...
☒ Domain Name e.g. networksolutions.com
☐ IP Address e.g. 208.178.101.13

Registrant:
Timothy Alexander Steinert
Alibaba Group Holding Limited
Fourth Floor, One Capital Place P.O. Box 847
George Town Grand Cayman KY1-1103
KY
dnsadmin@hk.alibaba-inc.com +852.22155100 Fax:

Domain Name: alibaba.com

Registrar Name: Markmonitor.com
 Registrar Whois: whois.markmonitor.com
 Registrar Homepage: http://www.markmonitor.com

Administrative Contact:
Timothy Alexander Steinert

Country code **+852** (dialed as **00 852** from many places) is **Hong Kong**. All numbers are 8 digits after country code +852.

Technical Contact, Zone Contact:
 Domain Tech Contact
 Alibaba Group Holding Limited

x 847
 00 Fax: +852.22155200

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Tools - people

Linked-in <http://www.linkedin.com/>
Facebook <http://www.facebook.com/>
Knowem <http://knowem.com/>
Pipl <http://www.pipl.com/>
Yasni <http://www.yasni.co.uk/>
123 people <http://www.123people.com/>

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Tools - people

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William Anderson, CPA
CHIEF FINANCIAL OFFICER AND CORP
DIRECTOR OF FINANCE

Visionary Leadership

Driving Growth, Revenues & Market Share to Unprecedented Levels
 Strategic Planning and Start-Ups and Turnarounds and

PROFESSIONAL PROFILE

- Energetic, accomplished, multi-dimensional, is recognized as a respected, influential voice person within an accelerated environment demanding capability, definitive action and absolute perfect growth plans; provide financial metrics to team decisions. Realize optimum efficiency and cost implementation of integrated financial systems and impeccable integrity.
- Expertise in financial management practices across entities. Talent for working with CEO's and CIO's
- Serve as model that drive executive, successful through motivation, coaching and open communication commitment, accountability.
- Innovative logical - analytical thinker, with a real management.

CORE STRENGTHS

Strategic Planning, Execution & Management Cash & Forecasting, Reporting & Analysis Process Reengineering Multi-Site Operations Management Human Resources New Business Development Cross-Cultural Work Environment Relationship Building Presentations & Communications

Computer Skills:

Excel, MS Word, Lotus, WordPerfect, MAS90, Tim

PROFESSIONAL EXPERIENCE

ABC INC. New Castle, UK 801

CFO

- Acting CEO over a total of approximately 4 months authority and responsibility reporting directly to the Board.
- Implemented productivity and benchmarking system.
- Implemented a nurse documentation program.

- Identified reimbursement contracts with opportunities for improved reimbursement and assisted in negotiating them.
- AR Days reduced from 70 to 53 and cash on hand doubled.
- Implemented Provider Based Clinic.

XYZ Corp. Little, France 2008 - 801

CO-FOUNDER, VP & CFO

- Vision & Strategy: a full-service, strategic event management company dedicated to providing event management resources and services for virtual and live events.
- Sales: XYZ has grown 100% year over year to over two-million dollars in annual revenues.
- Human Resources: Pay rolled over 20 employees, including 3 executives, Managed Partner Network.
- Products & Services: Manage 200 Cisco partner programs in one quarter and \$400,000 in Cisco JMFs.
- Business Development: Worked with various XYZ partners to meet various event technology including event website and registration, meeting management software, and virtual software (webex, 3D Explorer, Usafair)
- Marketing: Responsible for the marketing strategy & vision, managed Director of Marketing and PR Manager, Created XYZ branding, XYZ Logo, XYZ Product Naming Architecture, New XYZ Website & XYZ Site (newletter)
- Partnerships: Created 3rd Party vendor relationships with industry partners in order to provide XYZ clients with a cost-effective turnkey solution for event management products and services.

BCD INC., London, UK 2008 - 1207

CFO

- Within nine months had in place a skilled finance organization across multiple locations, had selected and implemented an ERP system, designed and implemented process improvements, and upgraded financial planning & analysis resulting in operating efficiency gains, cost reductions and margin expansion.
- Shortened the closing cycle from 35 days to 7 days providing more timely management information while reducing departmental costs.
- Improved cash flow by reducing A and P days from 50 to 39 and negotiating average A and P terms from 31 to 42 days.

EDUCATION

BS, Accounting, New York University, New York, NY

CERTIFICATION

CPA, New York

MEMBERSHIPS

UK Society of Certified Public Accountants
 Healthcare Financial Management Association
 UK Society Public



William Anderson's Overview

Current

- Chief financial Officer | Corporate Controller | Director of Finance at ABC INC. New Castle, UK

Past

- Accountant manager | Financial Officer at XYZ Corp. Little, France

Education

- Voice Dialogue UK
- Open University

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IT tools - Plagiarism

Google/bing search

Doc cop

<http://www.doccop.com/>

Plagiarism Detect <http://plagiarism-detect.com/>

Chimpsky <http://chimpsky.uwaterloo.ca/>

Small SEO Tools

<http://smallseotools.com/plagiarism-checker/>

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Check for Plagiarism

Results: **40% Unique Content**

<u>understanding of our, mainly by providing some</u>	Existing (Jul 10, 2007)
<u>tentative and exploratory</u>	
<u>philosophical analysis. I shall not consider the</u>	Existing (Feb 1, 2001)
<u>rhetorical uses</u>	
<u>misuses of bull. My aim is simply to give a rough</u>	Existing (Dec 21, 2006)
<u>account</u>	
<u>what it is not, or (putting it somewhat differently)</u>	Good
<u>to</u>	
<u>to articulate, more or less sketchily, the structure</u>	Existing (May 22, 2005)
<u>of</u>	
<u>of its concept. Any suggestion about what</u>	Existing (Feb 1, 2001)
<u>conditions are</u>	
<u>somewhat arbitrary. For one thing, the</u>	Existing (Jul 10, 2007)
<u>expression bull is often</u>	

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Q&A