Fraud.. An act existing as old as Universe

Recently heard regarding the $50 billion fraud in US, which has created history being the biggest fraud in the universe. The modus operadni was very simple and was in existence since 19th century invented by Charles Ponzi. Still there is no learning and fraud of same modus operandi continued to be in existence in some part or other of the world. Its time to ask question have we really done enough to prevent the same fraud to reoccur ?. One fraud was not enough, another accounting fraud of $1.5 billion emerged from the founder of Satyam.

I can remember of two phrases “Change is constant” & “History repeats itself” . Both applies to fraud. Fraud in recent scenario had become a hot topic. After fraud incidence is unearthed every body become an investigator and starts telling regarding the wrong doing and various symptons which could have detected the fraud. But the affected party is always a looser in every fraud and most common among them is the investor who has invested money.

It comes in my mind as to what are the various types of fraud which is know. To my surprise there are around 50 odd types of fraud listed in wikipedia. After going through all of them it can be concluded that, there is only one objective in all type of fraud and that is to get “wrongful gain” either in money or in kind. If this motive is kept in mind then any person can do fraud in unique way which can't be thought of .

When an analysis was done on all the fraud the modus operandi remain the same, only way of act changes. To give a perspective now Phishing is being considered as a big threat for online banking however the same earlier is termed as “Con Man” . Con man term is used for the fraudster who convince the vistim to do a particular act. Even in Phishing the fraudster deceive the victim to provide all the information which will help the fraudster to remove money from the victim account. Thats why I had earleir said “Change is Constant” . The fraudster tries always a unique way in doing a fraud.

The above is just one example there are multiple modus operandi like stock market scam, impersonation (now called as Identity theft), dream selling like high return (ponzi scheme) etc which are in existence since the human being is in existence.

Looking today there are various way through which people can be trapped or become victim of fraud. No organistation or industry is safe. Bank is more vulnerable to fraud as it is where the money lies. There are various way which a fraud can be done in banking industry.

The most common type of fraud which exist in Banking Industries are

- Cheque forgery & alteration
- Misuse of Debit card
- Misuse of Internet banking channel

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- Identity theft fraud
- Internal fraud

The fraud in banking is unique as it affect the individual in particular and Bank in general. Thus each individual has to be alert and conscious while dealing with any unusal activity. The fraud in banking can be done right from the stage the person submits the document for account opening till the customer close its account. Even if the customer has closed the account, fraud can happen in the customer account without his knowledge though the vistim can be other person or Bank.

Given a fact that the fraud can't be earadicated completeley as there is no vaccine available, the incidence can be reduced by alertness and awareness. This is the reason as to why each person should know what are the possibilities of fraud and how to prevent from being victim of fraud.

Various informatios are available in website to disseminate information about awareness of fraud and ways to prevent oneself to become victim of fraud. hence one should keep updated on the same.

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