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FRAUD

How to spot a con man

If you want to avoid damage to both your finances and reputation, you need to make sure you do your research

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CON MEN – AND WOMEN – COME IN all shapes and sizes, ages and nationalities. Their schemes run the gamut from the opportunistic to the carefully planned. The objectives may vary from conducting a simple advance-fee fraud to the more exotic Ponzi schemes, like that operated by Bernie Madoff.

Most con men have designs on their victims' bank accounts. But, if you are a company executive and the con man's target is your company, you may find that the damage to the reputation of the business is far worse than any financial loss. They may act the part of a sophisticated financial adviser or may manufacture a career history that appears to make them suitable for a senior executive role.

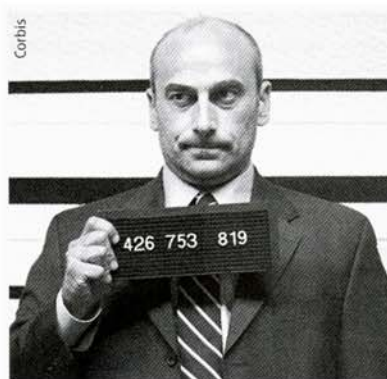
So what can be done to avoid being tricked by people with designs on yours or your company's finances and reputation?

1 OBTAIN A CV AND REVIEW IT

If someone is asking you for something, especially money, you need to know who they are. If they haven't been asked for a CV for a while, they may need a few days to update one. But if they prevaricate for too long, you can bet something's not right.

In the 1980s and '90s, con man Barry Edward Gray was an assiduous reader of the business press, who looked for contentious situations and would then contact one of the parties to a dispute, saying he was a private investigator commissioned by the other side to dig up dirt.

But, he would say, he hadn't been paid and was willing to spill the beans about what he had been asked to do. All he wanted was his expenses, typically a few thousand pounds. He got away with this for decades because no one ever asked him to provide proof of who he was.



2 INTERVIEW CAREFULLY

Interview the person in an office setting. If there are gaps in the CV, ask for an explanation. Look for things that don't make sense. If an employer is listed without details of the department worked in or the job title, ask about it. If an answer seems vague, press for more details. An honest individual with nothing to hide will always provide as much detail as required.

3 DO SOME ONLINE DIGGING

Don't rely on an individual's own website. Even the most novice computer user can check Google or other search engines. Look for plenty of positive information online from independent sources.

4 SPEAK TO OLD COLLEAGUES

Don't rely on an individual's references. You need to independently identify former colleagues to talk to. In 2008, Terence Freeman was set to be hired to run a hedge fund. Research showed that he had worked for a business not on his CV. By speaking to someone there, it was revealed that he had recently married a Russian woman. The marriage certificate showed that his original name was Terence Sparks. Further research showed that Terence Sparks was a disqualified director. He wasn't hired for the job. A few months later, he was arrested for swindling investors out of £44m (£51.4m). **SR**