Fraud accounting

This research paper investigates the fraud case against Norfolk man of the Southern District of Nebraska. It establishes the security controls that were compromised at the time of the crime. In addition, it proposes measures that should be put in place to ensure that such criminal activities will not succeed in future. According to the available literature, the United States Attorney for Nebraska made a surprise announcement last week that the Norfolk man had been sentenced in connection with a wire fraud (Masters S., 1998).

A Norfolk man aged 52 last week pleaded guilty to charges of health care fraud and bank fraud in front of Nebraska Magistrate Judge. In his admission, the Norfolk man by the name Mark Koehler agreed that he falsified the accounting records of " Heartland Physical Therapy" to remit false claims to various insurance companies for amounts of money totaling to $1. 4 million. According to the Magistrate Judge, Koehler had acted in his capacity as the bookkeeper to unduly obtain money from the companies' customers. At the same time, the culprit conceded to intentionally submitting false information with regards to the " Heartland Physical Therapy" lending plan to a Norfolk bank. This falsification had resulted in the bank advancing sums of money in excess of $500, 000. This exemplifies the extent to which fraudsters would go in corrupting information systems to defraud intitutions (Minkow B., 2011).

This case slightly compares with that of Kweku Adoboli in that they were both average fraud perpetrators. Although Adoboli looked a little tricky in trying to hide his identity after he was suspected, his maneuvers did fit the typical kind of a hardcore fraudster. For instance, the landlord speaks quite very well of his character, especially on matters of paying his rent. Besides the fact that he only removed his facebook profile after realizing that he was being followed, gives an impression that he could be new to fraud. This is because a hardcore fraudster would always be suspicious even if no one is following him at the moment. In fact, he would not even have put his profile on facebook because that would certainly make him vulnerable to intelligence surveillance. Essentially, his relative “ naivety” suggests that he could be new in the game and as such an average fraudster (Zabihollah R., 2002).

Adoboli had intelligently used the opportunity elements to achieve his intended fraud. Ideally, he committed the crime, concealed his identity and converted the entire situation to exclude his participation. For instance, he managed to successfully conceal his identity by using different names, Kerviel and Adoboli. In fact, it took comprehensively patched up evidence to link his personality to the fraud case. According to the information provided, a desire to maintain a lavvish lifestyle had pushed the young man into fraud. This stems from the fact that his former landlord described his life as an expensive one that was at times unmanageable for him. For instance, there were times when he was late with the rent in spite of the fact that the place was located in the higher social class residential zone, where rent is never late.

Companies often shy away from prosecuting such white collar criminals for fear of conceding flaws in their systems. For instance, USB, where Adoboli worked, would considerably lose customer confidence by accepting that there are flaws in their banking system. That’s probably why they were hesitant to confirm his name as their employee. However, these crimes can be prevented by strictly monitoring transactions involving large sums of money. This is quite significant especially at these economically tough times (Efrati A., 2009).

In conclusion, fraudsters still find serious flaws in information systems that they exploit to defraud such institutions of large sums of money. Worse still, these criminals have devised methods of concealing their identities so that intelligence agencies cannot trace them. However, the occurrence of such crimes could be totally mitigated if the government restricted transactions involving large sums of money. This would save several financial institutions of big losses they are incurred due to fraud (Palmeri C. 2006).