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| **National Check Fraud Center**  **Types and Schemes of White Collar Crime**  **TYPES OF WHITE COLLAR CRIME**  Bank Fraud:  To engage in an act or pattern of activity where the purpose is to defraud a bank of funds.  Blackmail:  A demand for money or other consideration under threat to do bodily harm, to injure property, to accuse of a crime, or to expose secrets.  Bribery:  When money, goods, services, information or anything else of value is offered with intent to influence the actions, opinions, or decisions of the taker. You may be charged with bribery whether you offer the bribe or accept it.  Cellular Phone Fraud:  The unauthorized use, tampering, or manipulation of a cellular phone or service. This can be accomplished by either use of a stolen phone,or where an actor signs up for service under false identification or where the actor clones a valid electronic serial number (ESN) by using an ESN reader and reprograms another cellular phone with a valid ESN number.  Computer fraud:  Where computer hackers steal information sources contained on computers such as: bank information, credit cards, and proprietary information.  Counterfeiting:  Occurs when someone copies or imitates an item without having been authorized to do so and passes the copy off for the genuine or original item. Counterfeiting is most often associated with money however can also be associated with designer clothing, handbags and watches.  Credit Card Fraud:  The unauthorized use of a credit card to obtain goods of value.  Currency Schemes:  The practice of speculating on the future value of currencies.  Embezz1ement:  When a person who has been entrusted with money or property appropriates it for his or her own use and benefit.  Environmental Schemes:  The overbilling and fraudulent practices exercised by corporations which purport to clean up the environment.  Extortion:  Occurs when one person illegally obtains property from another by actual or threatened force, fear, or violence, or under cover of official right.  Forgery:  When a person passes a false or worthless instrument such as a check or counterfeit security with the intent to defraud or injure the recipient.  Health Care Fraud:  Where an unlicensed health care provider provides services under the guise of being licensed and obtains monetary benefit for the service.  Insider Trading:  When a person uses inside, confidential, or advance information to trade in shares of publicly held corporations.  Insurance Fraud:  To engage in an act or pattern of activity wherein one obtains proceeds from an insurance company through deception.  Investment Schemes:  Where an unsuspecting victim is contacted by the actor who promises to provide a large return on a small investment.  Kickback:  Occurs when a person who sells an item pays back a portion of the purchase price to the buyer.  Larceny/Theft:  When a person wrongfully takes another person's money or property with the intent to appropriate, convert or steal it.  Money Laundering:  The investment or transfer of money from racketeering, drug transactions or other embezzlement schemes so that it appears that its original source either cannot be traced or is legitimate.  Racketeering:  The operation of an illegal business for personal profit.  Securities Fraud:  The act of artificially inflating the price of stocks by brokers so that buyers can purchase a stock on the rise.  Tax Evasion:  When a person commits fraud in filing or paying taxes.  Telemarketing Fraud:  Actors operate out of boiler rooms and place telephone calls to residences and corporations where the actor requests a donation to an alleged charitable organization or where the actor requests money up front or a credit card number up front, and does not use the donation for the stated purpose.  Welfare Fraud:  To engage in an act or acts where the purpose is to obtain benefits (i.e. Public Assistance, Food Stamps, or Medicaid) from the State or Federal Government.  Weights and Measures:  The act of placing an item for sale at one price yet charging a higher price at the time of sale or short weighing an item when the label reflects a higher weight.  **TYPES OF WHITE COLLAR SCHEMES**  Advanced Fee Schemes:  Actor induces victim to give him some type of advanced fee in return for a future benefit. The future benefit never occurs and victim never receives the advanced fee back.  Airport Scam:  Actor approaches victim in an airport stating that the newspaper stand cannot change his one hundred dollar bill and asks the victim for change. Victim provides actor with the change, actor returns to the store to get the one hundred dollar bill back, however, never returns to victim.  Auto Repair:  Actor hangs out around an auto repair shop and approaches victims who leave after getting estimates. Actor claims to do work off duty at a very low cost. Once actor has the car, inferior work is completed and victim cannot get the return of the car until the very high bill is paid.  Check Kiting:  A bank account is opened with good funds and a rapport is developed with the bank. Actor then deposits a series of bad checks but prior to their discovery, withdraws funds from the bank.  Coupon Redemption:  Grocery stores amass large amounts of coupons and redeem them to manufacturers when in fact merchandise was never sold.  Directory Advertising:  Actor either impersonates sales person from a directory company like the yellow pages or fraudulently sells advertising which the victim never receives.  Fortune Telling:  Actor advises victim that victim is cursed. Actor advises victim that the curse must be removed. Actor advises that she must meditate to the spirits and will require payment. Over a period of time, victim pays fortune teller thousands of dollars to remove curse.  Gypsies:  Actor states that victims money is cursed. In order to remove the curse, the money must be placed into a bag or box that the actor provides. The bag or box is switched. Actor advises victim to perform certain rituals over the money and the curse will be removed. The bag or box cannot be opened for a period of time when it is opened, the money is gone.  Home Improvement:  Actor approaches a home owner with a very low estimate for a repair or improvement. Inferior or incomplete work is performed. Once the repairs are completed, actor intimidates the victim to pay a price much greater than the original estimate.  Inferior Equipment:  Actors travel around selling inferior equipment such as tools at high prices.  Jamaican Switch:  Actor #1 approaches a victim looking for the address of a prostitute. Actor #1 shows a large sum of money to the victim. Actor #2 arrives and tells Actor #1 where he can find the prostitute but cautions on taking all the money as the prostitute might rob him. Actor #1 asks the victim to hold the money for him. Actor #1 puts his money into a handkerchief with the victims money. Actor #1 shows the victim how to hide the money under his arm, inside his shirt while switching handkerchiefs. Victim takes the handkerchief and the parties split up, however, Actor #1 leaves with victims money.  Land Fraud:  Actor induces victim to purchase tracks of land in some type of retirement development which does not exist.  Odometer Fraud:  Unscrupulous used car salesman purchased used cars and turn back the odometers. The used car is sold at a higher price due to its low mileage.  Pigeon Drop:  Actor #1 befriends the victim. Actor #2 shows both Actor #1 and victim a "found" package containing a large amount of cash. Actor #1 insists that the found money be divided equally but only after each person puts up his own money to demonstrate good faith. All the money is put in one package and the package is later switched.  Police Impersonation:  Actor tells victim that his bank is being operated by fraudulent bank officers. Actor instructs victim to take money out of bank and place it into a good bank. After the money is withdrawn, the actor allegedly takes the money to the police station for safe keeping. The victim never sees the money again.  Ponzi:  An investment scheme where the actor solicits investors in a business venture, promising extremely high financial returns or dividends in a very short period of time. The actor never invests the money, however, does pay dividends. The dividends consist of the newest investors funds. The first investors, pleased to receive dividends, encourage new investors to invest. This scheme falls apart when the actor no longer has sufficient new investors to distribute dividends to the old investors or the actor simply takes all the funds and leaves the area.  Pyramid:  An investment fraud in which an individual is offered a distributorship or franchise to market a particular product. The promoter of the pyramid represents that although marketing of the product will result in profits, larger profits will be earned by the sale of franchises. For example, if a franchise price is $10,000.00, the seller receives $3,500.00 for every franchise sold. Each new franchise purchaser is presented with the same proposal so that each franchise owner is attempting to sell franchises. Once the supply of potential investors is exhausted, the pyramid collapses. Many times, there are no products involved in the franchise, simply just the exchange of money.  Quick Change:  Victim is confused by actors speedy series of money exchanges and in the end, is short changed.  Shell Game:  Actor #1 manipulates a pea beneath three walnut shells or bottle caps. Actor #1 moves the caps around and shows victim the cap with the pea under it. With the encouragement of another player, also Actor #2, victim places larger and larger bets as to which cap contains the pea. The game is ended by Actor #1 when the take is large enough.  Utilities Impersonators:  Actor impersonates utilities employees by wearing jumpsuits with name tags. Actor approaches victim with story about a gas leak or electrical surge to gain entry to the home. Valuables are taken by actor.  VCR Scam:  Actor purports to sell new VCR's or televisions at an extremely low cost due to his connections. Victim pays for the VCR or television only to discover that the box has been filled with rocks.  West African Investment Scams:  Actors target businesses and obtain business' bank account information from which all funds are later withdrawn. |