

Contents

Preface	xi
Acknowledgments	xiii
CHAPTER 1	
The Fraudster Mindset	1
A Silver-Tongued Devil	2
Sell the Sizzle, Not the Steak	3
Dr. Donald Cressey and the Fraud Triangle	5
Fraud Diamond	9
Fraud Theories	10
Fraudster Mindset	17
CHAPTER 2	
A Short History of Fraud in America	23
Growth of Mail Fraud	24
Green Goods Swindles	24
Grifters	26
Baker House Swindle	27
Golden Age of Fraud	28
Rise of Boiler Rooms and Bucket Shops	31
Other Frauds over the Years	32
Enactment of the Mail Fraud Statute	37
The Continuous Onslaught of Fraud	39
CHAPTER 3	
Use Your Imagination	41
The Mob Stings Fraudsters	41
Making the Typewriter Talk	44
Where the Law of Gravity Doesn't Apply	45

Welfare for the Deceased	51
The Value of Imagination	52
CHAPTER 4	
Make Yourself Lucky	55
Fraudster Stupidity Is Your Friend	56
One Man's Trash Is an Investigator's Gold	57
Let Them Talk	58
Arson for Profit Case: Impeaching the Defense Expert	59
One Federal Agent's Attention to Detail	62
Look and You Shall Find	63
Don't Take No for an Answer	65
If You Don't Ask, You Will Never Know	66
CHAPTER 5	
Patience Is a Virtue	71
Stopping a Fraud Scheme	71
New York State of Fraud	78
Recommendations to Prevent Property Insurance Fraud	91
CHAPTER 6	
Fraud Can Be Murder	95
Good Humor Ice Cream Scandal	97
Bad Ham and Bribes	102
Golden Needles Acupuncture	108
Blast from the Past	110
Security Guard Indignity	114
Next Time Dead	119
CHAPTER 7	
Arrogance and Recidivism	121
If You Are Here, You Are Not As Smart As You Think You Are	122
Arrogance Is Common	125
Arrogance and Recidivism Often Go Hand-in-Hand	126
Arrogance and Rebate Fraud	131
Making It a True Federal Case	133
Fraudsters Say and Do the Darndest Things	136

CHAPTER 8**Informants and Whistleblowers: The Good, the Bad, and the Ugly 141**

Managing Confidential Informants	143
Informants Gone Bad	152
Falling in Love with an Informant	155
Nightmare Informants	156
A Rogue FBI Agent Strikes a Deal with Two Devils	157
Avoid a Failed Investigation	159

CHAPTER 9**A Tale of Deceitful Pitches and Vendor Kickbacks 161**

History of American Chemical Industries	162
Description of the Fraud Scheme	163
Detection and Investigation	169
The Continuing Investigation	173
Prosecution	174
Special Circumstances	176
Fraud Prevention	177

CHAPTER 10**Cruise to Nowhere 179**

Description of the Fraud Scheme	180
Detection	182
Investigation	183
Factoring of Credit Card Charges	186
Investigative Reporting	187
Execution of Search Warrant	187
Circularization	188
Undercover Trip	189
Prosecution	193
Special Circumstances	194
Fraud Prevention	194
Investigative Best Practices	195

CHAPTER 11**Who's Who of Fraud: A Story of Vanity and Deception 197**

The Making of a Fraudster	198
Fraud Scheme	199

Investigation	204
Prosecution	208
Special Circumstances and Additional Fraud	210
Postscript	211
CHAPTER 12	
Kids and Coins: Scoundrels without a Conscience	213
Genesis of the Fraud	214
Description of the Fraud Scheme	216
Investigation	219
Prosecution	224
Special Circumstances	226
Fraud Prevention	227
CHAPTER 13	
More Tips, Best Practices, and Lessons	231
Become a Subject Matter Expert	231
Documents, Documents, and More Documents	232
Remember the Boy Scout Motto	234
Why I Love Liars	235
Fraudsters Love Expense Report Fraud	236
San Francisco Metergate	239
Yellow Pages Invoice Scam	242
Best Laid Plans of Mice and Men Often Go Awry	244
CHAPTER 14	
Power of Prosecution and Prevention	247
Fraud Prevention for Individuals	249
Fraud Prevention for Business Organizations	250
Fraudsters Are the Same Everywhere	253
Fraud Is the Golden Goose for Criminals	254
It's Déjà vu All Over Again	256
Sadly, Fraud Is Here to Stay	260
About the Author	263
Index	265