

ASSESSMENT # 2

Total Marks: 30

- 1.** Give short answers to the following questions: (14)
- i. As an investigative officer, how would you differentiate between high- and low-level thieves?
 - ii. Give the profile of a typical criminal who commits more expensive fraud.
 - iii. Define the term 'calculating criminals.'
 - iv. What is the main difference between situation-dependent criminals and power brokers?
 - v. What are the three situations that are usually present in cases of fraud, according to the fraud triangle?
 - vi. Briefly describe Gwynn Nettler's perception about employees lying, cheating and stealing.
 - vii. What are the typical motivations that persuade a white-collar criminal to commit fraud?
- 2.** 'The profile of a white-collar or blue-collar criminal is different from other typical street criminals.' Discuss.(5)
- 3.** "Fraud is most common in organisations that have no controls, no trust, no ethical values, no profits, and no prospects." Discuss. (5)

Case Study (6)

The accounts of a trader were under tax investigation by the local tax office. He had recently begun selling and fitting kitchens using recycled materials, including pine dressers and cupboards, and the new website he had created to support the new service displayed some very impressive photographic evidence of his work.

The tax inspector (as part of her tax investigation into the accounts, which had been submitted for the new business) had looked at the website and used the photographs to produce a costing exercise. This showed that, even based on a reasonable assumption that only four kitchens had been sold and fitted during the period, a far higher profit than that which had been declared would have been generated. She had therefore begun an investigation into the business's and the trader's financial affairs. A forensic expert was instructed to assist the trader in the enquiry.

Having reviewed the papers and met with the inspector, the expert quickly established that the key to the investigation was the photographs on the trader's website. He interviewed the trader, who

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explained that he had not actually sold or fitted any kitchens during the period but had used photographs from books and magazines to give the impression on his website that he had experience of fitting luxury kitchens. After meeting with the trader, the forensic expert was fully convinced that the trader was truthful in his statement.

Keeping in mind the above case, please answer the following questions:

- i. If the trader has actually committed a crime, what kind of crime it is?
- ii. How would the forensic expert be able to investigate the case properly given that the trader might have sold the goods without generating any invoices or worked on a cash basis?