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Fraud news briefing

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1. 24.12.09 – JUDGE ATTACKS ‘HOLE IN BANKING SYSTEM’

The Daily Telegraph reported that a UK judge has condemned a ‘shocking hole’ in the banking system, as he jailed two fraudsters for their part in a £20 million worldwide credit card fraud. Gboyega Akinbola, 36, and Oyetunde Oyediji, 31, both Nigerians, purchased goods estimated by police to be worth £60,000 after buying the credit card details of 1,100 people from an international hacking syndicate. The pair were caught after a shop owner became suspicious about an online order.

2. 25.12.09 – JAPANESE PREMIER’S EX-AIDES ACCUSED OF FRAUD

The Los Angeles Times reported that two former aides to Prime Minister Yukio Hatoyama have been charged with falsifying reports of campaign contributions. Hatoyama apologized for the misdeeds of his former aides. Prosecutors accused the two of falsifying reports for \$4.4 million, listing dead people as donors to hide the source of some money, as well as underreporting some donations.

3. 25.12.09 – CALIFORNIA PAIR ARE ACCUSED OF INVESTMENT FRAUD

The Los Angeles Times reported that U.S. federal regulators have obtained a preliminary injunction against two men accused of defrauding investors who put nearly \$10 million into a fund to invest in mobile home parks. They are alleged to have diverted nearly half the money raised and used it for day trading, using risky strategies such as option trading and short selling.

4. 27.12.09 – OUTRAGE OVER MINISTER CONTROLLING 3.7 BILLION EUROS IN AID

The Sunday Times reported that Europe’s aid to Romania has been placed in the hands of a minister who poses for glossy magazines in her underwear and was embroiled in corruption allegations. Elena Udrea, 36, has been appointed cabinet minister responsible for regional development. She will control a 3.7 billion Euro budget for the development of Romania’s housing, infrastructure and tourism.

5. 30.12.09 – FRAUDSTERS NET £4.5 BILLION FROM CARBON TRADING

The New York Times reported that Chinese officials misused or embezzled about \$35 billion in government money in the first 11 months of 2009, according to a national audit released this week. The National Audit Office did not disclose the size of the budgets reviewed this year, but the agency said that it surveyed nearly 100,000 government departments and state-owned companies. More than 1,000 officials are facing prosecution or disciplinary action because of the audits.



6. 31.12.09 – HEDGE FUND BILLIONAIRE MUST FACE FRAUD CHARGES

The Daily Telegraph reported that Harbinger Capital, the hedge fund run by billionaire Philip Falcone, must answer accusations of fraud and civil conspiracy. Mr Falcone, who is worth \$2.3 billion, became known after making billions of dollars shorting sub-prime mortgages at the start of the credit crisis.

7. 1.1.10 – CHINA ARRESTS 20 IN OPERATION AGAINST FOOTBALL MATCH RIGGING

The Guardian reported that China has launched a crackdown on match-fixing and corruption in football with the arrests of more than 20 sports officials, including the president and two coaches of a team owned by Sheffield United. Zhang Weizhe, the coach of its Hongkong-based offshoot, and two other men linked to the Yorkshire club, are suspected of buying promotion, bribing referees and using club funds for private business. Sheffield United are not implicated in any wrongdoing.

8. 6.1.10 – BRIDE'S £1/2 MILLION FRAUD TO PAY FOR HER BIG DAY

The Daily Express reported that a bride who stole nearly half a million pounds to fund her dream wedding day, has been jailed for two years. Joanne Kent spent £50,000 on a seaside hotel, beach fireworks, flowers and even designer bracelets for guests. The 26-year-old stole £470,000 from former employers Wilson UK Ltd where she worked in accounts. She also blew more than £50,000 on cars.

9. 8.1.10 – ANTI-GRAFT FIGURES 'ALL TOO FAMILIAR'

The South China Morning Post reported that the Chinese Central Commission for Discipline Inspection and the Ministry of Supervision – the respective party and government anti-corruption bodies – have revealed, at a recent press conference, that the number of public reports on corruption was up 4.7% year of year, and the number of cases passed for further investigation – 115,420 – was up 4.5%.

10. 10.1.10 – SECOND THAI MINISTER QUILTS OVER CORRUPTION

Reuters have reported that Thailand's deputy public health minister has resigned after being implicated in a corruption scandal over a \$2.57 billion healthcare scheme. Manit Nopamombodee was the second minister to quit over the high profile scandal. A fact-finding panel last month recommended that Manit and 10 other officials be disciplined for backing ministry plans to build facilities and buy medical equipment deemed unnecessary or grossly overpriced by local health officials.

11. 12.1.10 – THREE BRITONS CHARGED OVER 3 MILLION EURO CARBON TRADING FRAUD

The Guardian reported that Belgian prosecutors have charged three Britons and a Dutchman with massive money-laundering following an investigation into a multi-million Euro scam involving carbon emissions permits. The three Britons were accused of failing to pay VAT worth 3 million Euros. European authorities believe that the EU has lost at least 5 billion Euros to carbon-trading VAT fraud in the last 18 months.

12. 12.1.10 – BENEFITS CHEAT FLEW TO MOSCOW FOR COSMETIC SURGERY

The Daily Mail reported that a benefits cheat who swindled nearly £60,000 spent the money on going to Russia to have breast enlargements. Nelli Kellaway, 41, took her daughter for the same operation and also lavished cash on other plastic surgery and cosmetic dentistry. Searches by police revealed the couple had a string of properties which they rented out, earning, £100,000 a year, but still claimed housing benefit. The couple also had close to £200,000 in undeclared cash accounts.

13. 16.1.10 – PRISON AT LAST FOR SCOTLAND’S MOST WANTED

The Daily Express reported that Anthony Kearney and Donna McCafferty, claimed housing benefit despite having more than £330,000 in offshore accounts. The former antiques dealer, who is currently serving a five year sentence for attempting to extort £35,000 from a businessman, also raked in almost £23,000 in income support and pocketed more than £10,000 from credit card frauds. The couple were finally arrested on Spain’s Costa Blanca in November 2008 having fled abroad when the police launched a money-laundering probe in 2004.