
INSIDE THE FRAUDSTER'S MIND



Association of Certified Fraud Examiners

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I. COURSE INTRODUCTION

<i>Wall Street</i>	<i>Fraud Squad</i>
<i>Catch Me if You Can</i>	<i>The Informant!</i>
<i>The Firm</i>	<i>Office Space</i>
<i>Ocean's Eleven</i>	<i>Erin Brockovich</i>
<i>Dirty Rotten Scoundrels</i>	<i>Fargo</i>
<i>The Sopranos</i>	<i>Waking Ned Devine</i>
<i>Enron: The Smartest Guys in the Room</i>	<i>The Producers</i>
<i>Boiler Room</i>	<i>Mad Money</i>
<i>Quiz Show</i>	<i>American Greed</i>
<i>The Sting</i>	<i>The Wolf of Wall Street</i>
<i>White Collar</i>	<i>American Hustle</i>

This abbreviated list of popular movies and television shows have captured the attention of millions in the last century with their stories of fraud and financial crime. Fraud is unethical, illegal, and in most cases immoral; yet Hollywood makes it funny, interesting, exciting, and even glamorous. What is it about white-collar crime that is so appealing to watch—and, for some, to perpetrate?

This course explores many of the thoughts and reasons behind a fraudster’s decision to commit a crime, and will discuss:

- The psychology of human behavior
- The categories of perpetrators and how they are correlated to the reasons a perpetrator might commit a crime
- Common reasons for committing fraud
- Ten common critical thinking errors associated with unethical behavior
- Popular rationalizations for committing fraud
- Ways that organizations can use this information to prevent and detect fraud

Understanding the thoughts and feelings of a fraudster can provide valuable insight to enhance an organization’s anti-fraud efforts. Knowing why fraudsters commit crime can help us learn how to prevent fraud by addressing the circumstances that lead to it. Gaining insight into the way perpetrators rationalize their actions can also give us ideas about how to prevent such rationalizations in the future. Possessing an understanding of the human aspect of fraud might give fraud examiners an edge in gaining an admission during an interview.

This course will explore psychological information that is key to the successful development of a fraud prevention and detection program.

Video



Accompanying this workbook is a fifty-minute video covering ten common critical thinking errors displayed by fraudsters (discussed later in this course) and the ways they manifest in convicted perpetrators. Please visit [\[REDACTED\]](#) to view the video.

Upon completion of this course, you will know how to:

- Differentiate between various criminological theories of human behavior.
- Compare the categories of perpetrators and how they are correlated to the reasons that perpetrators commit crimes.
- Identify common motivations for committing fraud.
- Categorize ten common critical thinking errors associated with unethical behavior.
- Identify indicators of deception commonly exhibited by interview subjects.

Cautionary Statement

Much of the material in this workbook refers to the reasons why people commit fraud, but there is no absolute formula to determine who will commit fraud. Every human being is unique. Everyone's chemical makeup is different, and everyone has different personal experiences. Accordingly, many people who are in situations conducive to fraud never do anything illegal. Likewise, some fraudsters do not fit into any of the categories mentioned in this course.

Although there is no formula to determine who will commit fraud, research and experience have shown that people are more likely to commit fraud if they experience one or more of the emotions or conditions discussed in the following material. Consequently, this course does not offer a single set of characteristics that define a predisposed fraudster; instead, it describes the most common reasons for fraud, some typical mistakes perpetrators make in their thought processes, and how fraud examiners and organizations can use this information to prevent and detect fraud.