

## **International conference highlights computer fraud**

**Roy Whitehouse is the head of WIS International, a company specialising in research, investigation and intelligence service, with offices in Boliqueime (Algarve), Lisbon and London. Roy is also a member of the Council of International Investigators (CII), a security and investigation organisation with 400 members, all of whom are carefully vetted to ensure their trustworthiness. CII's head office is in the United States, but the organisation holds annual meetings every year. This year's conference, the 51st, took place at the Baía Hotel in Cascais, attended by 65 delegates. Seminar topics included money laundering, international criminal prosecution, business marketing and international fraud. The Resident's journalist, Gabriel Hershman, spoke to Roy Whitehouse, this year's conference host, about the important issues under discussion.**

***Tell us about computer and internet fraud, and what people should beware of...***

If you're going to deal with someone financially, you must know who they are and where their money is coming from. Fraud has been going on for hundreds of years. It's just that the means of taking your money off you have changed. In the old days – before the internet and all this wonderful technology – I would have to meet you face to face and you would have to trust me to give me the money. But now, of course, I could be sitting in Portugal and defrauding you in Toronto! The biggest tool in fraud nowadays is undoubtedly the computer. Computers can falsify documents to make them look authentic and use the internet to contact you and defraud you. You would be amazed at the amount of people who do get defrauded.

***For the uninitiated, give us an example...***

People buying or selling on Ebay, or messages that appear telling you that you have won the lottery.

That seems to come up every day on the internet....

They say you have won 20 million euros on an international lottery that you have not entered. But, in order to clear the funds, they require you to send them 1,000 euros. You would be amazed at the amount of people who do send the money in and all for a competition they have not entered in the first place!

***Is it wise not to give credit card details over the internet?***

Only give them to recognised vendors, like banks or recognised public bodies. You have to know who you're dealing with. Don't give your credit card number to buy from someone you don't know. Once they have your details, they will expand that information, find out all about you, and then start entering your bank account and using your credit card.

***Tell us about international prosecuting...***

We have an American attorney and a Portuguese and UK lawyer. Because the world has become a smaller place, criminals commit crimes across borders. You can be here and defrauding someone in the US – quite easily. Once you're tracked down, the US authorities may try to prosecute you, but, first, they have to get you to the US. It's easier in the EU because the countries cooperate with each other and extradition can be very quick. If you're a prosecuting authority in one country and you want to prosecute someone in another country, so much depends on the agreements you have with those countries in question.

***What are you doing on a daily basis in the Algarve?***

We are based in the Algarve, but most of our work is in Lisbon and Porto. The majority of our work in Portugal is due diligence, doing a background enquiry on a company to show who they are or to confirm that they are who they say they are. We look to see if there is anything negative about them or if there is anything a prospective client or business partner should know about them. We find out if there is anything in their history that, if it were revealed today, would prove embarrassing.

***So, someone about to conduct a business deal would approach you and ask you to conduct an enquiry about a potential business partner?***

Yes. Or we would check a company or service provider to see that they are who they say they are and that they carry out the work they say they do, and that there's nothing in their background that would lead you not to use them. We also carry out pre-employment checks on individuals applying for positions.

***How do you do that?***

We have a release from the subject of the investigation, an agreement in advance allowing the enquiry to take place. We vet their information to see that it's accurate. What happens sometimes is, you apply for a job and say that you worked for five years for a particular company. The human resources department then faxes a company with your CV and then you get a reply back saying: "He's wonderful, honest and we're really sorry to lose him." But they don't check out the company to see if it exists! The person giving that reply could be a friend of yours and might just be sitting at home with a fax machine.

***Is this kind of background check exclusively for high-powered jobs?***

No. We are now in a world of growing litigation. Let's take a really very simple scenario. You own a restaurant and you employ a young guy as a waiter. He's there for two months and then, one day, he seriously assaults a customer while at work. If I were the customer concerned, I would sue the company. If I found out from his history that he had been fired from a similar job just two months earlier for a similar offence, just before you took him on, I would hold you responsible. I would sue you because you have put me, as a client, in danger. But if you had checked the guy out and found no evidence the guy was violent, then that lets you off the hook.

***Who are your clients and where is most of your work based?***

Our business is mainly up in Lisbon and the north, where we have agents. Most of our clients who approach us here are from other EU countries and the US. We do a lot of asset tracing in the Algarve, finding out about people's assets pre-litigation. We trace their assets so that, when they are sued, the people suing them know exactly where they're coming from.

***Tell us about money laundering and the investigations you conduct.***

If you rob a bank and have half a million pounds in cash, then you have to do something with it. You have to make it look clean and legal before you do something with it. One of the simplest ways is to set up a high revenue business and set up, for example, a nightclub that just never opens. You can't just go along to a bank and make a huge deposit in cash because of money laundering regulations. A bank would want to know where this money comes from and they would conduct an enquiry, either in-house or externally, through people like us. We have a responsibility when we suspect money laundering – be it through fraud, deception, drugs, ripping off companies or breach of copyright – to report it to judicial authorities.

***What is the cut-off point whereby banks would want to find out the origin of a cash deposit?***

In the UK, it's 10,000 pounds in cash, unless they know you and know you run a cash business. But, even today, if you've been a customer for a long time and you go along with a big cash injection, then the bank has to report it to the police. But with the 'nightclub', you can go every week and put in 30-40,000 euros. That's the sort of figure they would be expecting you to take and they would be expecting cash.

***What is your message to readers?***

Be diligent in respect of your own personal financial security and when it comes to service providers and the companies you use. And always ask the relevant questions. Above all, we advise people to Know Your Client – KYC!

Six guest speakers addressed this year's conference: Paul Kelly, an American criminal defence lawyer from Boston, Colin Holder, a retired Metropolitan Police detective, Cliff Knuckey, a former detective inspector who set up Scotland Yard's highly acclaimed Money Laundering Team, Paul Renner, special advisor to the ICC – the International Chamber of Commerce Commercial Crime Bureau, designer Clare Austin and Portuguese lawyer Lita Gale, who works as a qualified lawyer in Britain,

specialising in international property law.



- Roy Whitehouse specialises in research, investigation and intelligence service