



# Fraud detectives – The threat of collusion

It is often said that there must be a separation of powers in companies to prevent fraud. It is common practice to have one person to request a cheque, another to sign it, and a third to accept the goods. According to Nico Theron, legal adviser of fraud detection company Alchemy Business Consultants, this is no guarantee.

“Putting processes in place to prevent fraud will never work if the parties in that process are in collusion. I am currently working on a matter where seven people colluded to defraud a company. Together they smuggled R800 000 worth of goods off the premises.”

He explains that the company was involved in transporting valuable items by truck. Every conceivable check and balance was in place, including security guards and supervisors who had to sign off the goods on departure.

“They created an additional truck load of goods to be shipped out of the company between the legitimate loads. The goods were signed off by the loading supervisor, loaded by a driver and then checked out by security – all of whom were in on the plot,” says Theron. “The extra load then went to a point that they had arranged with an external party, from where it was sold to unsuspecting parties.”

The moment all parties in a process collude, it is very difficult to prevent the crime. “The best advice is to have these people arrested and prosecuted immediately. In this scenario, they will get up to 15 years in prison,” he says. “If you are going to let it slide and just dismiss them, you will not succeed in sending out a message to your staff.”

If they are simply dismissed with no prosecution, they can go on to defraud other companies. Theron highlights that time and time again, he finds people that have been fired from one branch of a company only to be employed by the same company at a different branch. “When you employ people, you need to screen them properly. They must at least undergo a criminal record check, a reference check and an ITC check.” **S**

For more information visit [www.alchemyconsultants.co.za](http://www.alchemyconsultants.co.za)



Nico Theron

Ever notice how your senses are heightened when you are in challenging situations? You're experiencing an adrenaline rush that gives you extra energy. If you see every day as a challenge, you'd be surprised how efficient you can become, and how much can be accomplished.

**Donald Trump**