Anna Salkinder – Module 6 Discussion

[Name of the Student:]

[Name of the Institution:]

Anna Salkinder – Module 6 Discussion

Most of the employees in an organization work with honesty; however, there are a few who indulge in fraud and can cause serious harm to the businesses. Therefore, the necessity of dealing with their fraudulent efforts becomes crucially important.

# Contemporary Developments in Fraud

People commit fraud because they perceive they are in a tough situation, they can do fraud and escape, and they consider it ethically acceptable to indulge in such an activity. Frauds vary in their types to a great extent. Frauds in modern times mostly relate to the Internet. A data breach occurs when hackers access credentials of individuals or organizations and attempt to make illegal financial transactions. There are some websites that cause financial loss to individuals who use their credit card to shop online (Sengupta, Jain, Garg, & Choudhury, 2018). Besides Internet scams, there are fake companies that urge investors to buy their company shares. Telephones frauds are also common, which entail persuading people by giving them attractive offers for a financial activity.

Companies develop software for detecting frauds. To develop such programs, the engineers must know the fraudulent techniques used. Therefore, they design computers that learn while a fraudulent activity is being carried out. Once known, software is developed to proactively detect frauds (Clements & Knudstrup, 2016). Machine learning process includes replication of the logic used in committing a fraudulent activity.

# Implications for a fraud Examiner

A fraud examiner should consider the things which the fraud had been based on, e.g., the account(s) records. The ethical standards must not be overlooked in complying with the core responsibilities. The suspicion must not be superficial. The person who has made the allegation must be judged. A proper plan has to be made for the fraud examination. Current trends in frauds need to be considered. Modern techniques of fraud detection must be employed, which support the investigation process.

References

Clements, L. H., & Knudstrup, M. (2016). Which fraud investigation procedures are most often performed? An exploratory study. *Journal of Forensic & Investigative Accounting*, *8*(2), 168–178.

Sengupta, E., Jain, N., Garg, D., & Choudhury, T. (2018). A review of payment card fraud detection methods using artificial intelligence. *2018 International Conference on Computational Techniques, Electronics and Mechanical Systems (CTEMS)*, 494–498. IEEE.