

More proof that truth is stranger than fiction.

The World's Dumbest Fraudsters

BY JOSEPH T. WELLS

In Wichita, Kansas, police arrested a 22-year-old male who tried to pass two counterfeit \$16 bills at an airport hotel. And in St. Louis, a bus carrying five passengers was involved in an accident. However, when the police arrived, 14 more people were aboard the bus, all complaining of whiplash and back pain. Not very smart. But at a time when CPAs hear so much about how ingenious fraudsters at high levels can be, it's good to know they're not all so powerful or clever. As a matter of fact, some—as my English friend says—may be one sandwich short of a picnic lunch.

I've searched high and low to bring you examples of the dumbest of the “dumbsters.” And I admit it up front: The only lesson to be learned is just how stupid some people can be. Sit back and enjoy.

THINKING BIG...

As Dorothy Marie Livingston approached the new-accounts clerk at a bank in Newport, Pennsylvania, they exchanged smiles. Ms. Livingston explained that she wanted to open a checking account.

The clerk was efficient, pleasant, professional and brand new on the job. Once the paperwork had been completed, it was time for Ms. Livingston to put money in her new account. The clerk asked, “And how will you be making your initial deposit?” Ms. Livingston opened her purse, withdrew a \$1 million bill and handed it across the desk.

The new-accounts clerk, concealing her astonishment at the large bill she was holding, dutifully recorded the deposit and gave her customer a receipt. “We're glad to have your business,” the clerk said with a smile. They shook hands and Ms. Livingston walked out. Before the counterfeit deposit was discovered a few days later, Ms. Livingston had managed to transfer an undisclosed sum to her husband's bank account.

Regrettably, the new-accounts clerk hadn't been trained to know that the fake \$1 million bill was 10 times the value of the largest bill ever printed by the government—a \$100,000 bill existed for about three weeks in the 1930s—and 10,000

times that of the \$100 bill, which is the largest denomination in circulation now. And while the clerk learned a hard lesson, Dorothy Marie Livingston learned about hard time.

...AND EVEN BIGGER

In a similar effort, a Utah auto mechanic, Kevin Jackson, showed up at a bank with a \$100 million U.S. bond, demanding he be given the entire principal and another \$100 million in interest. On his way to serve four years in prison, police revealed to Jackson what had tipped them off: The largest U.S. bond ever issued was \$1 million.

REALITY CHECK

When Curtis Boyd was running a bit short of money, the solution seemed obvious: create his own bank. Using a check-making program he purchased at OfficeMax, Boyd produced a \$22 million check, payable to himself, drawn on the “Reality Perspective Bank.”

When he gave the bogus instrument to teller Tammy Ferguson at the drive-up window at the Bank of Norfolk in Nebraska, she noticed more than the odd name of Boyd’s bank; the address was suspect, too. After all, Ferguson observed, how many banks operate from an apartment? Boyd left empty-handed. Police are still looking for him.

A PICTURE IS WORTH A THOUSAND DENIALS

Sam had an ingenious plan. He would set up a phony company and open a bank account. Then, he would establish credit for the fake enterprise. Using the lines of credit, he would order a load of expensive computer chips, which he would dump on the black market at a fraction of their value. Finally, he would close the business and move on, sticking the chip manufacturer with the unpaid bill.

What Sam didn’t count on were the pictures—the ones the bank took while he transacted the bogus business with the credit officer. When the Federal Bureau of Investigation showed Sam a very clear snapshot of himself, the agent asked, “Do you recognize the man in this photograph?”

“No,” was his firm reply.

“Do you recognize anything about him?” the agent pressed on.

“No,” Sam replied a second time.

“Do you recognize the hat?”

“No. Why do you ask?”

“Because you are wearing it right now,” the agent responded, smiling broadly.

“I need a lawyer,” Sam said.

“That’s the only true statement you’ve made so far,” replied the FBI agent, erupting into laughter.

COMPUTER CRIME WITH A SMILE

In Besançon, France, a 19-year-old computer whiz had been summoned to court for drunk driving. While waiting for his appearance, he spotted a computer at an empty desk. It took the genius only a few minutes to hack into the master drivers' license database.

While in the Web site, he located his own driving record, which he deleted and replaced with a smiley face. The judge, however, wasn't smiling when he sentenced the young man to 90 days probation, a \$425 fine and suspended his driver's license for three months.

ETHICS LESSON

Dave, the internal auditor, rubbed his eyes. Then he looked again at the three expense vouchers before him—individual requests for reimbursement of travel expenses from three employees to an out-of-town seminar. Dave declined paying the modest sums for three reasons:

Problem no. 1: The amount requested for reimbursement of automobile mileage on each expense voucher was identical.

Problem no. 2: Dave previously had seen all three men pile into the same car for the trip.

Problem no. 3: The three employees who were triple-billing expenses were traveling to attend a seminar on ethics.

THE HAPPIEST FRAUD VICTIM EVER?

Andrew Cameron of Cheltenham, England, spied what he thought was a valuable prize: Still in the mailbox was an envelope containing a brand-new credit card for Jacqueline Boanson. Cameron filched it and headed directly for the racetrack, where he charged two bets totaling \$150 on the card.

Ms. Boanson didn't even know the card had been lifted until she received a statement from the credit card company with a \$400 credit. It seems that Cameron had won, but the racetrack wouldn't pay him in cash. Since the bets had been placed on a credit card, the winnings were credited to her account.

"If the bets had been losing ones, they would have been voided from her credit account, but under the circumstances, it would seem a bit churlish to deprive Ms. Boanson of her winnings," said a racetrack official.

Cameron received a 12-month probated sentence. In his defense, Cameron's solicitor told the judge, "Andy Cameron did her proud and she must be the happiest victim that we ever had in this court."

DEWEY, CHEATEM AND HOWE

Fraudster Patrick Pender's sense of humor got him in big trouble. The Lubbock, Texas, man pled guilty to an identity fraud scheme that had cost credit card

companies, casinos and banks \$1 million over a four-year period. Using various combinations of the name of the fictitious Three Stooges law firm, “Dewey, Cheatem and Howe,” Pender somehow was able to get more than 100 lines of credit. The joke became his downfall when bank vice-president John Reed was asked to approve a money-order request from Pender. Reed—a fan of classic TV shows—took one look at the name and called the FBI, who had the last laugh.

THE OLE SWITCHEROO

Leroy Clark Jr. of Tampa, Florida, thought he was clever. The enterprising crook, knowing the bank would be closed all weekend, taped a sign to the night deposit slot: “This drawer is out of order. Use the alternate box provided.”

The alternate box that Clark had placed next to the real slot actually was an overnight mail bin stripped of its identifying decals. But to the pizza manager making a deposit on Saturday, something just didn’t look right. He called the police who discovered that other depositors hadn’t been so alert: More than \$35,000 in cash had already been dropped into the fake bin. When Clark stopped by later to pick up his loot, officers nabbed him.

EBAY, NO WAY

Jeremy Manchester, 22, had a plan to sell the Corvette he had stolen: He’d post the car on eBay. However, he ignored 30 other bids and clicked on the one that led to his arrest; undercover detectives in New York, knowing the car was hot, made Manchester an offer he couldn’t refuse. The only hitch: Jeremy had to deliver the car.

So the hapless thief and fraudster drove to New York from Oklahoma, a distance of 1,750 miles, only to be collared in a hotel parking lot. Said one officer, “We’ve never had anyone drive this far to get arrested.”

BROTHERLY LOVE

A German man used his brother’s identification to break *into* jail. Officials at Glassmor Prison are still scratching their heads trying to figure out why an inmate identified as Norbert would attempt to serve his brother Rudi’s two-year sentence.

Norbert spent 11 months behind bars before being spotted by a new inmate who knew both siblings and tipped off officials. It was unclear how Norbert, using Rudi’s ID, was able to get past prison officials; they bear little physical resemblance.

Rudi now is back behind bars serving his full sentence, and Norbert has been given the boot. But German officials are demanding Norbert pay \$2,500 for his stay. Moreover, Norbert won’t get the \$500 he earned in the prison work program.

YOU CAN’T WALK AWAY FROM YOUR DEBTS

South Korean police were suspicious of Chung Kyu Chi’s story. They found Chung, a self-employed grocer, lying in a bloody heap on the floor, both of his feet severed at the ankles. Chung claimed someone must have mutilated him while he was passed out from a drinking binge.

But then police found out Chung recently had bought an insurance policy that would pay him \$1.5 million if he was accidentally disabled. They also found out that the day before the incident Chung had purchased anesthetic at a local pharmacy. Finally, police interviewed neighbors who said Chung had been asking them for several months to amputate his feet.

When confronted with the evidence, Chung admitted that he paid an acquaintance to cut off his feet and discard them. Chung's motive? To pay debts.

A police spokesman said: "He hasn't actually tried to claim the insurance money yet, so we can't arrest him for fraud. And he didn't sign a sworn complaint about the incident, so we can't arrest him for perjury. That means, at present, he's free to walk away. Well, so to speak."

THE HOLE TRUTH

Police detectives in Radnor, Pennsylvania, were having trouble convincing a suspect to confess. Lacking a lie detector machine, which might have helped them glean the truth, the investigators quickly improvised. They connected two wires from the office copy machine to a metal colander, which was then placed on the suspect's head.

Each time the hapless miscreant answered incorrectly, one of the investigators would press a button and the copier would spit out a sheet of paper with two words: "He's lying." Figuring this ingenious machine had nailed him, the suspect quickly confessed. ■
