

YOUR FORENSIC BOOKSHELF

Edited by Santanu Mitra

This issue provides reviews of books that mostly deal with white collar financial crimes and occupational fraud. Businesses lose billions of dollars every year due to low-level financial crimes, the possibility of which, in many cases, remains obscured till its actual occurrence.

Financial Crime Investigation and Control

K.H. Spencer Pickett and Jennifer M. Pickett
Edition 2002, pp. 274. John Wiley and Sons Inc.

The book deals with various aspects of low-level financial or white-collar crimes committed mainly by employees or insiders of an organization. The authors describe in detail the types of financial crimes that may be perpetrated and related prevention and detection techniques. The book provides an effective lesson with regard to low-level white-collar crime, its origin and its traumatic long-term effects on the business and community, and how those illegal activities could be discouraged and their impact minimized within the periphery of an organization.

I commend this book because it describes a serious type of fraud, i.e., low-level financial crime, committed by employees, costing companies millions of dollars. The authors competently introduce readers to methods of financial fraud

investigation, with an equal emphasis on protecting the interests of company and the rights of those being investigated. The book is divided into seven chapters. The discussion is well-organized, and the materials are discussed in proper sequence, so those can be integrated into a well developed financial crime investigation and control system that could be implemented in an organization.

Chapter 1 describes white-collar financial crime in general with descriptions of various components and illegal activities associated with it. The authors develop a model of financial crime to better illustrate the problem and its consequence. An interesting portion of the chapter presents reasons for both not bothering and bothering about employee financial crime. The main thrust is to bring home the fact that the risk of low-level financial crime is not sufficiently appreciated. The authors conclude the chapter by listing 10 key points for justifying the importance of addressing financial crime, and for addressing its prevention and detection within the broader corporate strategy.

Chapter 2 deals with action models to prevent as well as to detect financial crimes. The authors describe the model as the "stop light model," having red, green and yellow lights. At red, fraud

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