

3 Fraud (A)

In this unit we practise:

- business briefing – talking about business crime
- business language – using business idioms
- business case study – drawing up business guidelines

BUSINESS BRIEFING

Story

Harriburton Brown Engineering is a large British engineering company. This note was posted to the owner, Ed Harriburton.

There is a scam running in your business. You are being ripped off by over a million a year. If you don't believe me ask yourself how much your workshops set you back.

1 Look at the note. With your partner discuss what the note could mean. What should Ed Harriburton do?

2 Read this letter that Ed Harriburton sent to Capstan Consultants. What does he want Capstan to do?

3 Look at the two documents above and find words or expressions that have the same or a similar meaning to:

HBE HARRIBURTON BROWN ENGINEERING
 Capstan Consultants,
 White Lion Hill,
 London

STRICTLY CONFIDENTIAL

Dear Ms Fiorentina,
 Thanks for agreeing to look at the situation for me. At first I thought it was a joke, but I can't take the risk of somebody taking advantage of me and absconding with the pension fund. Nothing dodgy has shown up in the books so I don't think the problem is in accounting.

What I want you to look at is the ordering process. For a lot of our oil refinery projects we design special pipe machines, pumps and drills. These are either built in our workshops or the work is outsourced.

I want your two people to interview some of the key players in the process – Paul Sanderson (head of engineering), Gus Kratz (the workshop manager) and Kevin Carp (managing director of one of our main subcontractors). They think the interview is to do with an industry benchmark. They mustn't find out that this is a fraud investigation.

Good luck!
 Ed Harriburton

illegal activity	scam
cheated	
cost you	
exploiting	
running away	
unusual and suspicious	
appeared	
inquiry into financial double dealing	

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4 Listen to the interviews carried out by Kirill and Macey with Paul, Gus and Kevin and to the conversation Kirill and Macey have with each other afterwards. What impression do you get of the three men?

5 Listen again and complete the interim report that Kirill and Macey sent to Mr Harriburton.

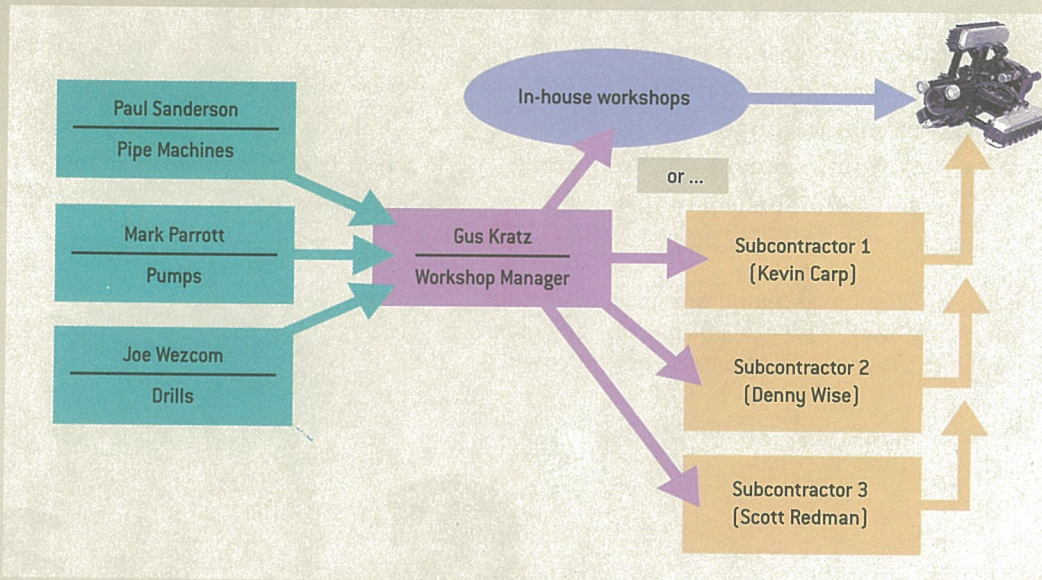
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Introduction

This interim report looks at the use of subcontractors at Harriburton Brown. Construction tasks are ¹ *outsourced* if company workshops are too busy. Paul Sanderson, Gus Kratz and one subcontractor, Kevin Carp, were interviewed.

Findings

The ordering process is illustrated in the diagram below:



Approximately ² % of all tasks (value ³ €) are outsourced each year. Mr Kratz ⁴ these tasks to a small group of subcontractors.

Conclusions

There are advantages and disadvantages to this system.

Advantages:

- high quality of the equipment produced internally and ⁵
- ⁶ enough staff to cover business peaks would be expensive during any economic downturn.

Disadvantages:

- outsourced work is approximately ⁷ % more expensive.
- relationships between the department heads, Mr Kratz and the subcontractors is based on personal friendship and not on a ⁸ basis (e.g. 1. Mr Kratz gives expensive gifts to the department managers; 2. Subcontractors paid for Mr Kratz to go with them on a ⁹ holiday.)

Interim recommendations

There is no evidence that fraud is being ¹⁰ , but we suggest the introduction of these steps:

- 1 Three ¹¹ should be ¹² to department managers if a task must be outsourced.
- 2 Workshop ¹³ should be checked.
- 3 Senior managers should make a list of ¹⁴ received over the last three years.

When we have looked at this material we can make our final recommendations.

1 Read this article on fraud in the workplace. The letters in the words in bold are in the wrong order. Correct them.

- 1 **fiddling**..... 3 5 7 9
 2 4 6 8

Fiddler on the loose

What do you do if you think somebody in the office is ¹ **glinfddid** the company? Speak to your boss, go to the top management or do nothing? The biggest mistake is to do nothing, because if there is a ² **rokoc** running some ³ **macs** and the police find you knew about it, you will lose your job – at best. Your company may well think that you were ⁴ **debrib** or given some

sort of ⁵ **erentswee** and you could find yourself in jail. And if a ⁶ **bnnet** accountant has ⁷ **deadbonsc** with company money they may try and get it back from you! So, if you think something ⁸ **gydod** is going on, the first thing to do is try to collect as much evidence as possible before you go to the management. This isn't always easy. Somebody committing ⁹ **adfru** tries not to show it and you will have to

2 Listen to interview 3 again and note down the different expressions used with 'get'. What do they mean? Use the expressions in sentences of your own.

- He the phone.
 no time.
 We just
 What are you ?

Hot tip!

'Get' is used in many different combinations and has many different meanings. Use them in your spoken English if you want to sound more idiomatic and fluent.



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3 The expressions *set you back* and *ripped off* from the letter sent to Ed Harriburton on page 13 are two examples of idioms. Here are some more examples (in *italics*) from the interviews. Listen to the short audio recordings taken from the interviews and with your partner work out their meaning from the situation.

- 1 I can *keep an eye on* what my people are up to.
- 2 It was a *waste of time*.
- 3 I know this company *inside out*.
- 4 When you know the business *back to front* like I do, then you know what's what. I've got the lads in the workshop working *flat out*, I can tell you. There's *no pulling the wool over my eyes*.
- 5 Just *watch it* a bit, all right?
- 6 I think we should try to *put the cat among the pigeons* a bit.

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4 Now use some of them in the mini-conversations below. Listen to check your answers.

A: Are you sure this is the right way?

B: Don't worry. I know this part of London ¹ *inside out*..... . We'll be there soon.

A: I told the secretaries that cigarette breaks had to be in their own time and not company time from now on.

B: Wow! I bet that put ² !

A: Ah, Colin. Now, the boss asked me to ³ your report. Is it still not ready yet?

B: Look, just ⁴ , will you? I've been working ⁵ for the past six weeks.

A: You can't ⁶ You're just lazy ... ouch!

A: Wow, that's a nice Rolex. How much did that ⁷ ?

B: Only €200. I got it in a market. Genuine Rolex ... only €200!

A: Let's have a look. Oh ... the second hand's fallen off. I think you were ⁸ !



'Genuine Rolex ... only €200!'

5 Use a dictionary to find more formal ways to express the words below in the context of fraud.

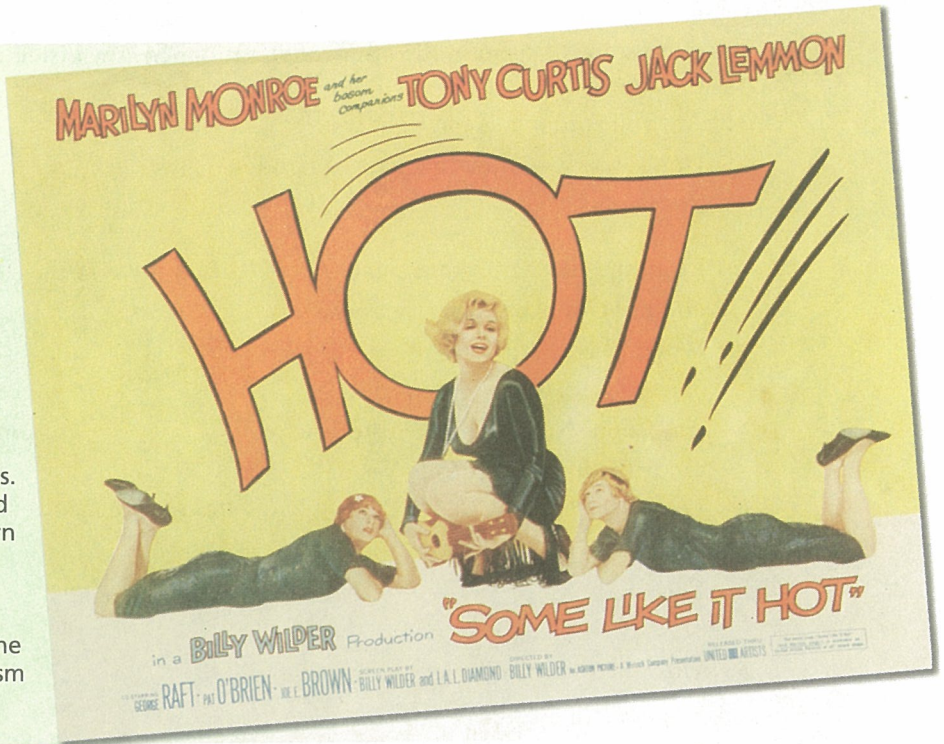
Informal	Formal	Informal	Formal
bent	<i>dishonest</i>	to fiddle	
dodgy		sweetener	
crook		scam	

6 In their report to Ed Harriburton, Kirill and Macey were careful not to say what they thought was really happening in the company. With your partner write the email they sent to their boss, Carly Fiorentina, outlining the situation so far and what they think is going on. Use as much of the language as possible from the unit so far.

7 Have you ever suspected somebody was committing fraud in a place where you worked? What happened?

Background:

Kino-Kino is a small privately-owned cinema in Oxford that shows classic films from the 50s and 60s. It employs a permanent staff of two – the general manager and a deputy manager. The other jobs (film operation, ticket sales, food and drink sales, cleaning, ushering) are done by about 60 freelancers on a shift basis. They are all students, glad to have the chance to earn some money every week working in a pleasant atmosphere. Customers constantly comment on the friendliness and enthusiasm of the team.



1 The owner of Kino-Kino, Tiffany Lotz, has sent you and your partner a list of possibly fraudulent activities which she thinks are going on at the cinema. Number them 1–9 (1 = least serious, 9 = most serious). Decide what would be an appropriate reaction from the management for anybody caught doing them.

Activities	Seriousness	Reaction
Staff let family and friends in for free to see less popular films.		Can be given special half price tickets.
Approximately 1% of stock (coffee, ice creams, pop corn, nachos, soft drinks) disappears from the stock room.		
Approximately €100 is lost from the till each week.		
Staff use the company name to get discounts for personal household supplies at wholesale superstores.		
Pirate copies of some films have appeared in a local rental store after their first showing at Kino-Kino.		
Staff sell old posters and film company merchandising (T-shirts, baseball caps, etc.) privately after a film has finished.		
Staff help themselves to food and drink from the foyer display while they are working.		
Staff use company facilities (phone, internet) for personal use.		
Staff see the films for free when they aren't working.		

2 Tiffany wants you and your partner to draw up a set of new guidelines for staff in order to reduce the risk of fraud at Kino-Kino. It is very important that the guidelines are written in such a way that the staff are not completely demotivated. It would be very difficult for Tiffany to build up another team if they all left.



1 Carly Fiorentina sends an email back to Kirill and Macey. Complete the gaps with words or expressions from the box below.

scam dodgy abscond watch it bent crook
 fiddle bribe put the cat among the pigeons

From: c.fiorentina@capstan.com
 To: m.church@capstan.com; k.solokov@capstan.com
 Date: June 3rd
 Subject: Harriburton

Thanks for your mail. Interesting situation. It really looks like there is a ¹ crook..... with some sort of ² You need to be very careful though. If somebody is ³ and is trying to ⁴ the company then they may try and ⁵ if they think you have found out something. Or they may try and ⁶ you. You will certainly have ⁷ with your interim report to Ed. So, just ⁸ , and when you get the timesheets for the workshops from the accounts department make sure that if there is something ⁹ about them you can prove it 110%! It might be a good idea for you to establish some contacts in the workshops with the people working there if possible. Something for you Macey – see what information you can get from the technicians about the amount of work they really have. Remember, worksheets can be forged.

Carly

2 Now use the words or expressions in some sentences of your own.