

Why oh why oh why? The highs and lows of fraud investigation.

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I will never understand some people's motives for trying to beat the system. It's not the major cases of fraud - like the gangs buying their "granny's" discounted council house for cash, selling it on and that's their drug money nicely laundered; nor the housing benefit frauds where properties are sub-let at twice the rent - that's organised, a business if you like.

It's the smaller cases that stay with me. I have investigated many frauds in my time but will never understand the incidents where the perpetrators finish up not gaining but losing everything. These are public servants who've lost their job, pension and their self-respect. More often than not, they are exposed in the local press as judges take a harsh line on the misuse of public funds.

Take the school clerk who substituted paid meals on the register for free meals and pocketed the money. She was quickly found out but not before she had misappropriated £1,800. Her husband came in next day to pay the money back so a shortage of money was not the motive. What was?

Or take the purchasing manager who colluded with a company to buy goods that were never going to arrive. He would sign to confirm they had, authorise payment and share the proceeds with the company. He was sacked on Christmas Eve and lost his pension. Try telling that to your wife and family. Happy Christmas.

I investigated a case where a cash counting operative knew that both manual and electronic reconciliations were undertaken, that cameras were recording the counting machine, yet still he tried and was found with £300 worth of pound coins in his locker. He lost everything for the sake of £300.

In this last case, the operative said he needed the money to fund a gambling habit - sometimes it's drugs or drink. I understand that to some extent. It's the green-eyed monster, greed and temptation that I'm mystified by, the bit of human nature where the rational brain switches off and it becomes about something else - maybe a buzz they get from it?

I don't think as auditors we'll ever stamp this out, although it's on the wane because there's less opportunity and less cash around in local government and the public sector these days. But where people see the dirty, gold

coloured coins or can hold a ticket in their hand that represents real money or goods, there's temptation. Parking is still an area of concern. For us in the North East, operations like the Tyne Tunnel still handle plenty of cash.

Work on fraud is about supporting managers to identify problems in advance, to find the weaknesses in the systems and check that control measures function effectively. Eventually the systems will and did pick up the problems I mentioned above.

But the systems are only part of the picture. To be a good investigator you need what used to be called, "auditorial acumen". It's a sharpened form of common sense. For me that comes from knowing the reality of life on the streets if you like, the ability to sniff out what's wrong about a situation in the first place. Then you need determination to spot the one detail among masses of information that will give you the evidence you need to prove the case.

Often a fraudster's colleagues will notice when something isn't right but will be reluctant to say anything. One of my managers told me my greatest skill was making people feel relaxed in my company so that they'd give me the incriminating information before I'd even asked the question.

My motivation is protecting the public purse. I trained as an accountant before getting a job in auditing. It liked me; I loved it. Investigating fraud is a challenge but it's enjoyable. I encourage young people to think about it as a career.

I will never understand people who try to beat the system, but maybe that's part of the attraction of the job.