

PREFACE

NOT too many decades ago, when schoolchildren routinely were required to conjugate verbs and parse Latin sentences, the maxim *caveat emptor* was part of the vernacular. Its common use then reflected learning that differed greatly from that promoted by most of today's educators and civic leaders. Given the prevailing notions that over the past several decades have replaced traditional benchmarks of performance in human transaction with an "I'm O.K., you're O.K." standard, it comes as a surprise when school children today are cautioned to beware of anything. In this sense, today's young are being conditioned as the easiest of marks.

Much the same might be said about the oldsters. Over the past half century government has intruded into every facet of daily life, and many decisions that formerly were the individual's responsibility now reside elsewhere. To a much larger extent than ever before, group interest politics has replaced individual endeavor. No one knows whether this tendency may have reached the point where most people no longer can make effective decisions about their own well-being. But that is plainly the view of many politicians and pundits who say that people must not be allowed to assume control over their personal finances, and that mandatory government administered welfare, retirement, healthcare programs and the like be maintained or expanded.

Whether or not we all are as naïve or incompetent as today's policy planners seem to believe, such developments have fostered profound corruption of the social order and the further division of society, in the words of the late Arthur Okun, into "sharpies" and "suckers." In such an environment, it may sometimes be difficult even for informed individuals to distinguish the legitimate from the fraudulent.

Of course, there are some financial frauds, such as Social Security, which no one can escape — at least for the foreseeable future. But many others can be avoided. It is our hope that the pages that follow will help you to do so.

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SPW 5/11/99

FRAUD

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Commonly defined, **fraud is an act in which attempts are made to deceive with promises of goods, services, or financial benefits that do not exist, were never intended to be provided, or were misrepresented.**

Fraud is not, in general, dependent upon the application or threat of physical force or violence. **Before the fact, the victim is a willful, albeit unwary participant. It is after the fact, when less is delivered than promised, that person realizes that he or she has been victimized.**

Fraud differs from such crimes as robbery and larceny or theft. Robbery is taking or attempting to take anything of value from the care, custody, or control of a person or persons by force or threat of force or violence and/or putting the victim in fear. Robbery is both a property crime and a violent crime. Larceny-theft is the unlawful taking, carrying, leading, or riding away of property from the possession of another. This crime includes such actions as shop-lifting, pocket picking, purse snatching, and the like. It too is a property crime, but the use of force or fraud is absent.

BLACK'S LAW DICTIONARY, 6TH EDITION --by spm

Fraud - An intentional perversion of the truth for the purpose of inducing another in reliance upon it to part with some **valuable thing belonging to him or to surrender a legal right**. A false representation of a matter of fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives and is *intended* to deceive another so that he shall act upon it to his legal injury. **Anything calculated to deceive**, whether by single act or combination, or by suppression of the truth, or suggestion of what is false, whether it be by direct false-hood, or innuendo, by speech or silence, word of mouth, or look or gesture. Suppression of the truth, and includes all surprise, trick, cunning, dissembling, and any unfair way by which another is cheated.

Fraudulent - Proceeding from or characterized by fraud; done, made, or effected with a purpose or design to carry out a fraud. A statement, or claim, or document is "fraudulent" if it was falsely made, or caused to be made with the *intent* to deceive. To act with "**intent to defraud**" means to act willfully, and with the specific intent to deceive or cheat; ordinarily for the purpose of either causing some financial loss to another, or bringing about some financial gain to oneself.

"A great deal of intelligence can be invested in ignorance when the need for illusion is deep." --Saul Bellow
