

English Vocabulary – Fraud and Corruption

Fraud and **corruption** are serious problems in almost every country in the world. We say that fraud is a “white-collar” crime. Let’s look at some vocabulary associated with fraud.

to commit fraud	To steal or divert money using covert administrative methods. “Thousands of people commit fraud every day.”
fraudster	Somebody who commits fraud. “Sometimes it’s difficult to know if you’re talking to a fraudster.”
victim of fraud	Someone who loses money through fraud. “If you think that you are a victim of fraud, tell someone immediately.”
fraudulent activity	An activity which constitutes fraud. “The accountant found signs of fraudulent activity when he was carrying out the audit.”
to defraud/to bilk	To steal money from somebody by committing fraud. “He defrauded the company for two years before he was caught.”
false accounting/ cooking the books	To not declare all the money that you earn or spend. “The books did not balance possibly due to false accounting.” “The books did not balance possibly due to somebody cooking the books.”
a scam/to scam	An activity which takes money from somebody in a deceitful way. “If you receive a call from your bank and they ask for your personal or financial details, hang up immediately because it’s a scam.”
a scam artist	Somebody who is very good at scamming others.
to embezzle/ embezzlement	To steal money from a company using covert administrative methods. “They fired George because they discovered that he was embezzling from the company for over 5 years.”
extortion	To demand money, often with threats of violence. “The brothers were arrested and charged with extortion.”
blackmail/to blackmail	To demand money in exchange for goods or information. “Julie found out that I had been to prison, so she blackmailed me.”
a bribe/to bribe	To pay somebody money in exchange for services or information. “It’s difficult to make progress in this job without bribing people.”
insider trading/ insider dealing	An illegal deal when somebody has privileged information about a company takeover or sale. “Jane lost her job and was arrested for insider trading.”
match fixing	To “fix” the result of a game or sporting match in order to win a financial bet. “They say that match fixing happens at every level of sport.”

More synonyms for “to commit fraud”:

bamboozle, bilk, bite, blackmail, bleed, bluff, buffalo, burn, caboodle, cheat, chisel, clip, con, connive, conspire, defraud, delude, double-cross, dupe, embezzle, fleece, gouge, hoodwink, horn swaggle, mislead, mug, rig, ripoff, sandbag, scam, screw, shaft, short change, snooker, sucker, swindle

Ponzi/Pyramid Scheme

A Ponzi scheme (named after Italian businessman Charles Ponzi, 1882-1949) is an investment scam that pays early investors with money taken from later investors to create an illusion of big profits. It promises a high rate of return with little risk to the investor. It relies on word-of-mouth, as new investors hear about the big returns earned by early investors. Inevitably, the scheme collapses when the flow of new money slows, making it impossible to keep up the payments of alleged profits. A Ponzi scheme is similar to a “pyramid scheme” in that both use new investors' funds to pay earlier backers. A pyramid scheme usually relies on rewarding early participants to recruit more participants but collapses when the supply of potential participants dwindles. The Madoff scandal was one of the biggest examples of a Ponzi scheme. It was a scam in which many people lost billions of dollars. Madoff embezzled a lot of money from his companies.

https://en.wikipedia.org/wiki/Charles_Ponzi

https://en.wikipedia.org/wiki/Ponzi_scheme

https://en.wikipedia.org/wiki/Madoff_investment_scandal