

Fraud carried out by:

Management

- Financial statement fraud (window dressing and cooking the books)
- Misappropriation of assets
- False insurance claims
- Using the company's assets for personal use

Employees

- Sales ledger fraud: stealing cash sales and cheques received
- Purchase ledger fraud
- Skimming schemes
- Payroll fraud

3rd parties

- False billing fraud
- Bank account fraud
- advance fee fraud
- Ponzi schemes

Ponzi schemes

- a fraudulent investment offer that involves paying abnormally high returns to early investors out of the new money paid in by subsequent investors, rather than a genuine underlying business.



- MMM established in 1989. The company started attracting money from private investors, promising annual returns of up to 1000%

BERNARD L. MADOFF
Investment Securities LLC

- Madoff Investment Securities
- Madoff's market-maker division traded up to 5% of the total volume made on the New York Stock Exchange
- Madoff's returns were most likely due to front running his firm's brokerage clients