

MoneyMarketing

Simple truth about data

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Corporate fraud continues to spiral out of control, yet simple, low-cost steps that can significantly reduce fraud are still not being adopted by UK business.

This is due in no small part to the Government's persistent refusal to clarify the confusion created by a raft of legislation from Data Protection, Human Rights and Employment to Anti Money Laundering and Proceeds of Crime Acts.

Given that the majority of fraud is employee-led - and senior employee-led at that - the ability to track trends in payments is critical. Using low-cost data mining tools, it is a straightforward process to compare supplier and employee addresses, picking up those fraudulent supplier companies set up by employees.

It is also straightforward to compare supplier/ customer organisations with the list of senior employee interests such as share holdings or non-executive directorships, again identifying inappropriate connections.

Yet the majority of UK organisations are not taking this simple action because they believe, incorrectly, that they are prohibited from using employee data in this way by the Data Protection Act.

The current attitudes to information management are confusing and conflicting. It is now time for the Government to clarify the obvious misunderstanding associated with Data Protection and introduce an era of controlled openness regarding the right to use or share employee information.

This will give firms the opportunity to introduce some straightforward measures that will significantly reduce many of the forms of fraud that are endemic.

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