

Fraud-busting firm has high hopes for software

TOM PULLAR-STRECKER - The Dominion Post – 01/11/2010



MAARTEN HOLL/Dominion Post

OUT-OF-COURT SOLUTION: Aptelisenze founder Steve Hutchins says his software is designed to detect fraud as it is attempted.

A Wellington start-up company claims to have made a breakthrough with a software product that could help tackle the country's growing fraud problem.

Consulting firm PricewaterhouseCoopers last year found that New Zealand had the eighth-highest level of reported fraud based on a survey of 3000 businesses in 54 countries.

Aptelisenze, a company created by former Metropolitan Police and Barclays Bank worker Steve Hutchins, has developed a Windows Server product that is designed to detect fraud as it is attempted.

The software monitors the eight most common computer databases, sending a series of escalating email alerts if it detects activities that break rules set by businesses to monitor for potentially suspicious activity.

Businesses could set a rule to send an alert, for example, if different invoices were raised that shared a common payee account, or an account password was changed outside working hours.

"The rules can be as complicated or as simple as you want," Mr Hutchins said.

"Any field in data can be validated between values, or across databases."

PricewaterhouseCoopers forensic services expert Alex Tan said New Zealanders might be more honest about acknowledging fraud, but doubted that was the sole reason for New Zealand's poor showing in its survey.

Some of the blame for the high level of fraud could be attributed to people's willingness to borrow and sometimes then defraud their way to the "boat, bach and BMW" lifestyle in a relatively low-wage society, he said.

"There are too many million-dollar houses being sold for the number of millionaires in New Zealand. There are too many beach baches worth fortunes being bought by ordinary people and too many \$50,000 boats owned by people who don't have \$50,000."

Mr Tan said his company was seeing a rise in fraud for "need not greed" as people pinched a bit to make ends meet. "The problem is you can't reverse that. Once good times get better, are they going to stop?"

Charities have not been exempt. Adrian Lawrence Coombe was jailed for two years and eight months in September for stealing nearly \$130,000 from diabetes organisations to fund an online gambling addiction.

Another charity, IHC, was defrauded of \$590,000 by an employee who created invoices for bogus companies – the type of activity Aptelisenze is designed to spot.

Harder to detect using technology was a massive \$16.9m fraud of the Otago District Health Board by former chief information officer Michael Swann and fellow offender Kerry Harford.

Aptelisenze software will be marketed in New Zealand by Pasis Group, set up by another British expat, John Spain.

Mr Spain said he recognised Aptelisenze as a commercially available solution that was similar to multimillion-dollar bespoke systems banks used for their own fraud prevention.

Aptelisenze software can be configured so it cannot be overridden without the approval of multiple staff members.

Pasis Group plans to help businesses work out what rules to implement in the software and is talking to potential customers. It sees a market for the software overseas.