

1 cheque mate

FROM MASTER OF DECEPTION TO THE FBI'S LEADING EXPERT ON FORGERY AND FRAUD, FRANK ABAGNALE HAS UNDERGONE A REMARKABLE TRANSFORMATION SINCE HIS CAPTURE AND IMPRISONMENT IN 1969. CLAIRE VANNER CATCHES UP WITH THE WORLD'S MOST FAMOUS EX-CONMAN

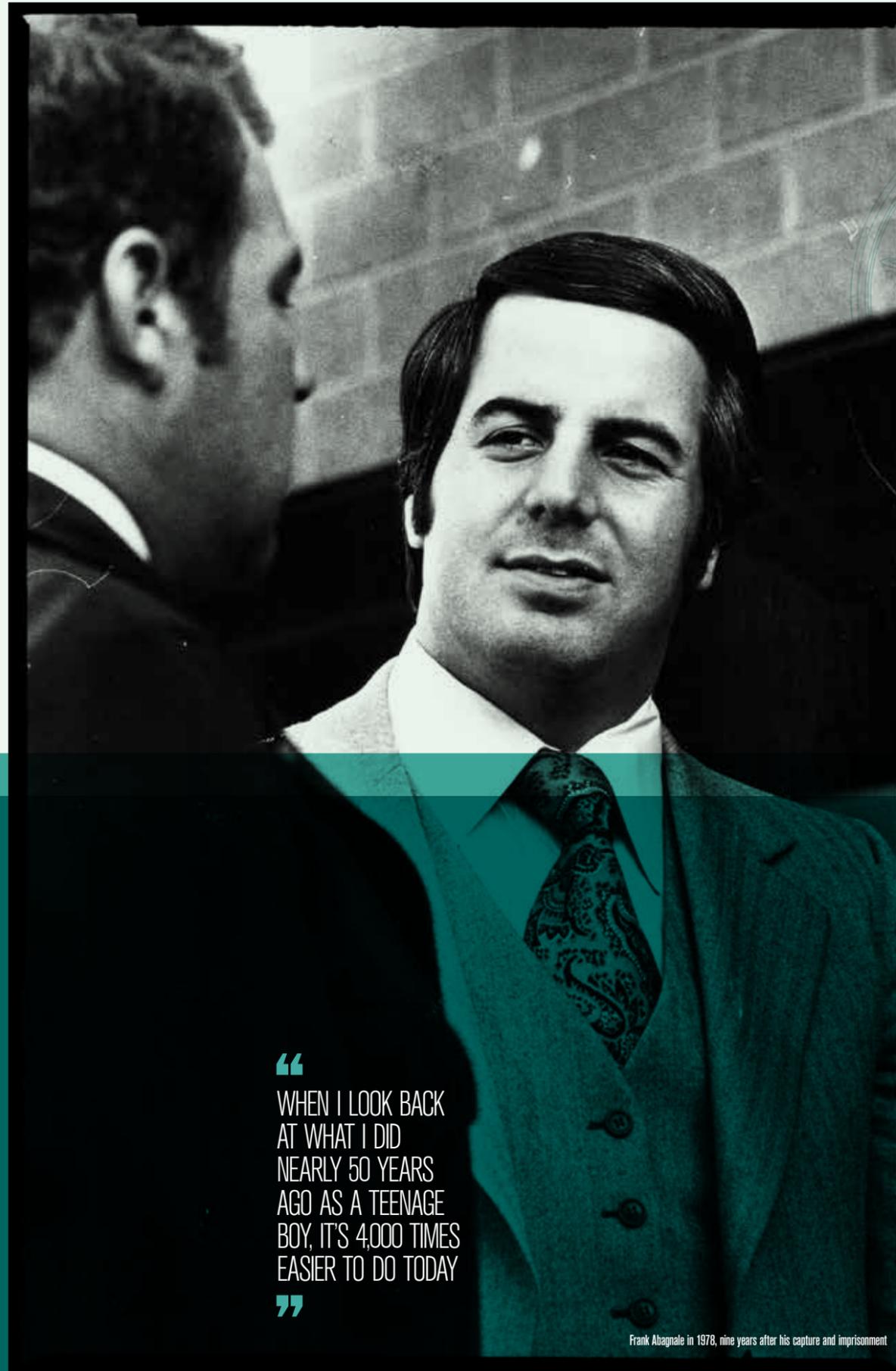
“My story is incredible not for the things I did, but that I did those things and where my life has taken me since,” says Frank Abagnale, the most notorious ex-conman of all time. Many are familiar with his story from Spielberg’s 2002 blockbuster *Catch Me If You Can*, in which Leonardo DiCaprio portrays Abagnale during his teenage years. He became an expert in identity theft and stole \$2.5m by perfecting the art of writing fraudulent cheques. Since then he has paid back every cent and flipped from fraudster and con artist to one of the world’s most respected authorities on forgery, embezzlement and secure documents.

Despite being offered pardons from three sitting American presidents, Abagnale has repeatedly refused absolution because he believes in the value of learning from one’s own mistakes and experiences: “I don’t believe someone signing a piece of paper does away with all that, I think you have to do it yourself.” His work with the FBI and setting up his own secure document consultancy have helped him rebuild his life, though he maintains that family is the driving force behind his success.

“Just being a father and a husband and the importance of bringing children into the world, that’s what really changed my life,” he says. He is also giving back by using his expertise to advise people on how to prevent their identity being stolen and protecting their assets from modern fraudulent techniques.

Forging change

Some consider the cheque to be an out-dated form of payment overshadowed by credit or debit cards and online payments. But the US still sees around 39 billion cheques written per year, with cheque forgery continually increasing to become the most commonly used method of fraudulent payment in the country. Abagnale recalls forging cheques in his youth by utilising a complex Heidelberg printing press: “It was 90ft long, 18ft high and required three print operators to operate it. So as you saw in the movie, I built scaffolding on the side of the press in France and I eliminated those other two positions. I was a young teenager so I was able to run the length of the press to operate it.” But the complexity of the printing process involving



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Frank Abagnale in 1978, nine years after his capture and imprisonment



colour separations, negatives, plates and type settings meant that creating a fake cheque was quite a feat of engineering. Nowadays, advances in technology mean that every year around \$20bn in the US alone is lost to cheque forgery.

“When I look back at what I did nearly 50 years ago as a teenage boy, it’s 4,000 times easier to do today,” says Abagnale. All it requires is someone opening their laptop, visiting a corporation’s website to capture its corporate logo and working their magic on a computer program. When Abagnale forged cheques, he would just guess where the company banked, their account number and the authorised financial signature, but the security checks were far less rigid. “The difference today is that, unfortunately, your victim will tell you everything you need to know,” says Abagnale. By calling up and asking to speak to the corporation’s finance department and asking for account details under the pretence of wiring money for an invoice, Abagnale says he can attain all the necessary information to fill in the counterfeit cheque. He could even attain the signature of the CFO to scan onto the cheque by requesting a copy of the annual report. »

“The technology and too much information has made all the things I did so much simpler to do today,” he warns. It would seem that in an attempt to open themselves up to their clients, many firms are also opening themselves up to be potential fraud victims. “As long as there are cheques, and it’s getting so much easier to replicate them through technology with colour copiers and scanners, I think [cheque forgery] is going to continue to be very popular.”

Redemption arc

Abagnale is now channelling his expertise of manipulating cheques and other secure documents in a professional capacity. “I think that I look at things differently to how other people look at them. So when someone hands me a document and says, ‘How would you forge or alter this?’ I go about asking myself how I would do that. Then I think how I would stop that from being done.” Abagnale has been with the FBI for 37 years since being offered the opportunity to work with them on parole, rather than see out the remaining eight years of his 12-year federal prison sentence. He was the perfect candidate for undercover work, having successfully passed himself off as an airline pilot, a doctor and a lawyer between the ages of 16 and 21 – until he was apprehended in France. “I’ve been at the FBI now for 26 years beyond my legal obligation to actually do so. It has been one of the most honourable things I’ve done with my life and one of the things I’m most proud of.”

He has also set up his own firm, Abagnale and Associates. Through this secure document consultancy, he works with various companies that use paper or plastic forms which may be at risk of counterfeiting, such as cheques, immigration papers and military fuel depot slips. His work with cheque security – including chemical wash detection boxes, copy voiding and covert microprinting – is particularly significant as cheques still make up around 75 percent of payments from one company to another. His clients range from large companies to small and medium enterprises, which in the past would not have been able to afford such security features. “What I’ve done is not only design these cheques but come up with a manufacturing process to allow the cost of manufacturing to go down so even the smallest company can be able to use a very secure cheque,” says Abagnale. “I don’t think the cheque is going to go away any time soon. It eventually will, but I’m 65 and I don’t think it will disappear in my lifetime.”

we see the paperless toilet.” He maintains that answer today. This continuing prevalence of paper can easily open people up to forgery and even identity theft. Abagnale professes that the standard ribbon shredder most households and offices use is not enough. He says a vertically shredded document can be pieced together in about an hour, making the whole process redundant. Instead, he recommends using micro cut shredders that effectively turn documents into confetti-sized pieces. “It’s the only effective way of destroying documents,” he says. But it’s not just paper that needs to be shredded,

Paperless toilet

When asked in a CNN interview 25 years ago when he believed we would see a paperless society, Abagnale’s candid response was: “When



Leonardo DiCaprio playing Abagnale in a scene from *Catch Me If You Can*

“ I’VE ALWAYS FOUND THAT CRIMINALS ARE NOT LOOKING FOR CHALLENGES, THEY’RE LOOKING FOR OPPORTUNITIES. SO IF YOU MAKE IT EASY FOR SOMEONE TO STEAL FROM YOU, THE CHANCES ARE, SOMEONE WILL

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any plastic does too. By simply slicing a credit card four ways, it is all too easy to pick out of a bin and piece together. The cardholder’s name, account number, expiration date and security code are then all there for the taking. But after putting a card through a micro cut shredder, it would be hard to even tell what kind of card it was. “The thing is that most people are honest. They don’t think in a deceptive way, so they don’t think, ‘Well what would someone do with that information?’ or ‘What’s the harm in doing that?’ It’s truly a matter of doing a better job of educating people.”

White collar crime accounts for around \$900m of theft a year in the US. Abagnale believes the most powerful tool in battling the rising crime levels is quite simply to make people aware. “One of the things I would like to see banks do more of is educating their customers,” he says. “If you show people their risk and show them the simple ways to eliminate that risk, they will go out and take the necessary steps.” Abagnale spends a lot of his time touring cities with banks giving presentations on how to avoid embezzlement, cheque forgery and cybercrime. “This is a great thing for banks to do; it’s a very proactive thing for them to do for their customers to help educate them.” But having worked

for most big corporate banks of America at one time or another over his career, Abagnale says he has only witnessed banks providing this kind of informative service to their large corporate customers. Very few will offer the same service to their small business customers and none seem to offer it to consumer customers.

In credit

One thing Abagnale endorses more highly than any other preventative fraud measure is to make payments using a credit card. He describes it as “the safest form of payment that exists on the earth” and favours it over the debit card, but not only for its ability to help build credit scores. “When I use a credit card, I’m spending the bank’s money. My money is never exposed. My money sits in a money market account and earns interest every day,” says Abagnale. “If someone gets my card number and steals £1m on my credit card, by liability under Federal US law, I have zero, no liability. I can’t be held responsible whatsoever. When you use a debit card you’re exposing the actual money in your bank account to someone else, and when they steal that, they’re stealing your money. Most of the people I lecture to are bankers and even they are amazed when they hear



FRANK: FRAUDSTER, FAMILY MAN AND FILM STAR

Abagnale ran away from home aged 14 during his parents’ divorce proceedings. Between the ages of 16 and 21 he successfully impersonated a pilot, doctor and lawyer by forging the relevant paperwork. He found nobody questioned his authority when he was wearing the appropriate uniform and conducted himself with confidence and charm. His prematurely greying hair helped him look older than his adolescent years.

He was arrested aged 21 in France, 1969. He served time in prison in France and Sweden before being extradited to US federal prison. He was granted parole aged 26 on the condition of using his expertise to help the FBI.

He met his wife, Kelly, while working undercover with the FBI. Eventually he had to confess who he really was and his troubled background. They have now been happily married for over 25 years and have three sons, one who also now works with the FBI. Abagnale credits his family for helping him turn his life around.

*With the help of a co-writer he wrote the semi-autobiographical book *Catch Me If You Can* in 1980, which became the Oscar-nominated film of the same name in 2002. Stephen Spielberg said he waited several years before making the film because he wanted to see what Abagnale did with his life to know how to portray him in the film. After Frank’s years of recompense and time with his family, Spielberg showed him in a sympathetic light and had Leonardo DiCaprio play him as a likeable character despite his wrongdoings. Abagnale had a cameo in the film as a French policeman.*

that.” Once again it seems to come down to a matter of naivety, people do not realise the risk they are opening themselves up to until it is pointed out to them.

Unfortunately, the rate of card fraud is still high worldwide. This was recently exemplified by a gang of cybercriminals who hacked into card processing firms in the US, India and Saudi Arabia to obtain information on hundreds of thousands of bank accounts. They digitally obtained all the necessary access information, raised the withdrawal limits and then used imitation debit cards to drain the accounts via ATM machines with the help of accomplices on the streets. This sort of swindle is a far cry from the days of Abagnale’s youth where he would have to charm bank tellers into cashing his fraudulent cheques. These criminals stole \$45m from bank accounts in over 20 countries in a matter of hours without even having to speak to anyone face-to-face. “This is exactly what I’m talking about,” says Abagnale. “The more automated you become and the more technology you use, the more you take the risk of someone using that technology in a negative reverse way to get into those systems.”

Abagnale maintains that technology breeds crime. A further example of this he gives is a remote deposit phone app developed by banks to enable clients to deposit cheques via their smartphones, rather than having to visit the bank’s bricks-and-mortar premises. It has quickly proved to be detrimental rather than convenient. “No matter how much technology you have, there’s always going to be creative people trying to find a way around it,” says Abagnale. He says this system has been breached numerous times as people create scenarios in which they can discretely scan the cheque into their account using their phone. This only takes a matter of seconds before the conman can operate under the pretence that they would feel more comfortable if the money was wired into their account instead. That way, they can receive the payment twice and the victim is none the wiser until it is too late.

When it comes to fraud prevention, the more individuals do to protect themselves, the less chance they have of being victimised. Abagnale puts this into practice everyday when working with the FBI and designing his company’s cheque security features. He says: “If you make the cheque very difficult to forge or counterfeit, then they’re not likely to try to forge your cheque, they’re going to go to the other guy who doesn’t do all those things. I’ve always found that criminals are not looking for challenges, they’re looking for opportunities. So if you make it easy for someone to steal from you, the chances are, someone will.” ■