B£OODBANK$: Opening the Arteries of the Banking

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A sample of the opening pages

COUNTERFEIT

Prologue

The room of the Central computer contained a mass of flickering screens which from moment to moment reflected the ever-changing myriad details of seemingly infinite financial transactions. From all over the Country, all over the World, a roller coaster of cash withdrawals, balance requests, deposits, were carried in a never-ending stream of ATM messages to and from the waiting millions out there in the cold and the rain in the dark of the night and the light and heat of the sun, all of which the massive computer system could, for the most part, handle with awesome efficiency.

24 hours a day, this automated juggernaut continued on its way, the flashing lights, the whirring and clicking from the relentless machines orchestrating a scene not unlike the Krell laboratory in The Forbidden Planet, eternally restless, in perpetual motion.

Today though, was different. Around these screens, monitoring them with unusual concentration were a group of men and women, clearly not the faceless operatives who usually stood idly by as casual servants to the mighty machines. Their eyes straining against the unremitting glow of the monitors, each person's face was etched with the tension inherited from their own experience of a harsher, more realistic climate, a raw place that was a world away from the abstract hidden life of the computer operators who were the natural inhabitants of this cold environment.

"Look!" said a man with a Scottish gravel voice as he pointed towards the screen, "Here's another one!"

Although he spoke to the group in general, the man who could be easily identified as their leader moved with swift economy to stand at the Scotsman's shoulder, peering at the screen, his dark eyes intense and alert.

"Yes, it's them all right" he said in a voice bristling with

authority, "Get someone down there right away, but no noise or fanfares, we want surveillance, not capture".

There was a bustle of sudden activity, as a crowd of minions hurried to deal with his orders, bodies separating into corners as if from a rugby scrum, a confusing scramble of voices high and low intermingling as urgent messages sailed out into the ether. The Chief bit his lip anxiously, for this was not the first time in that evening he had given this order. There was no doubt about it, massive fraudulent withdrawals were being made from the banking system.

This in itself was not new, the Chief had seen massive fraud before, but this was something different, hundreds of thousands of these transactions seemed inextricably linked by modus operandi and in uneasy corroboration, sometimes-direct connection. Worse still, these known transactions being monitored could well be the tip of the iceberg. The conclusions to be reached from this seemed catastrophic. If true, there was no telling where it could lead. This could be paranoia, the Chief reasoned. He hoped it was, for if his worst fears were realised, the signs were ominous. Someone could be orchestrating an attack on the banking system itself.

COUNTERFEIT

1

In Finsbury Square, London, stands the impressive modern building whose marble and glass hallways house APACS, founded by a consortium of banks and financial institutions to oversee their joint interests including automated systems, security, and fraud, especially in relation to plastic cards and ATM transactions.

On this evening, the lights were burning late in these offices of the great and the good. In the main boardroom, a cloud of cigar smoke hovered above the long and elegant table where sat these modern knights of financial Camelot, the chairmen and major players who represented the banks and other financial institutions.

The meeting was chaired by the Director-General, Farquhar-Brown, a man who was sophisticated and clever, and not complacent. Yet time in this structure had taught him that his decisions must always be tempered by compromise, by the very nature of the institutions the consortium consisted of. They were competitors first and foremost, after all. He had position, but in reality he had little power, he was a virtual first secretary of a financial United Nations.

In this room with him, sitting at the long table among the most important financial people in the Country was a Junior Minister from the Treasury, something of a token gesture from the government at this stage.

"Gentlemen, this meeting is called to order," said the Director- General, and a gradual hush descended over the room, leaving his voice slightly echoing among the crystal chandeliers of the high ceiling.

"We have noted an unusually high level of fraudulent activity among our loans and credit card transactions. The volume of such transactions and of general defaults has risen by some 20% in the past year alone. At this rate of growth, we could be discussing a level of 50% by next year, and that is obviously unacceptable. I have asked you here tonight so that we may discuss what steps can be taken to neutralise this threat to our business. Are there any comments at this stage?"

The chairman of a major high street bank, who had only recently been knighted, was first to speak. Sweeping his hand and the cigar it held in an arc of acknowledgement towards his peers, he said unemotionally, almost like a Mafia Don.

"All of us have become used to levels of fraud ever-increasing, and after all, our business is also increasing at such levels, year in year out. So what is new?"

A murmur of agreement rumbled round the table, and the Director-General replied, trying to disguise the impatience in his voice.

"Fraud is indeed always with us, but I don't think you've grasped the figures we are talking about here. This is a 20% growth on what we may call 'normal' fraud. If this is allowed to go on and grow at its present rate, it will threaten our business to a very significant degree".

Lord Sefton, the chairman of a major building society signalled to the Director-General that he wished to make a contribution, and once again the room stilled, as the portly red-faced northerner spoke, his accent unchanged by his years of success and high society.

"So let's get down to brass tacks. Three questions for you - One - why is this happening? Two, what's brought the change? Three, what can we do about it?"

"I can answer questions one and two by saying that we believe - my investigating officers and I - that such activity is being led by an organisation rather than consisting of a random series of unconnected events" said Farquhar-Brown in a matter-of-fact businesslike voice. "This organisation must be very large, covering the whole country in fact, and it is growing week by week. In our opinion, this is fraud on a highly organised basis. The answer to the third question is more difficult. We could eradicate this problem at a moment's notice by closing down our loan and credit business......" A hubbub of protest drowned out the Director-General as he struggled to continue through the ensuing noise.

"Gentlemen, Gentlemen!" He was shouting now, the echoes of his voice carried by the cavernous room, the chandeliers ringing gently, like barely audible crystal bells.

"Gentlemen! If I could continue!" he said, calming himself down as the muttering voices reluctantly receded.

"Gentlemen, the fact is, that is the only certain way of eradicating this problem completely, but I accept it would be an operation which would nevertheless kill the patient".

A nervous ripple of laughter crossed the room as he continued.

"What could also be done is to ensure a much more rigorous examination of each application, so that only the genuine applicant would be successful".

"Hold on a minute!" said Lord Sefton, "What we're talking about here is a complete revamp of our existing systems. Everyone in this room knows that's impossible. The cost and time factors are just not on!"

A rumble and grumbling of assent punctuated his words. Farquhar-Brown had anticipated all of this, but had laid out the situation as he saw it mainly for the benefit of his own position at a later date. As a master of compromise - the very nature of his appointment - he had laid out the stall. No one could later accuse him of complacency, he had placed the onus squarely on his associates, who were virtually his employers. Now he was able to put forward the compromise solution he had in mind all along.

"Gentlemen, I propose that we set up a special body to deal directly with this problem. This virtual task force will comprise police officers of the highest calibre, as well as the best from our teams of investigators and specialised accountants etc."

Slouching languidly in his seat, his narrowed eyes fastening on the Director-General like a weasel, another captain of financial industry raised his voice.

"If this so-called task force is to have any real bite to it, it must be led by someone with teeth". "Do we have such a man?" asked the recently knighted banker, looking doubtful.

"Oh yes" said the Director-General, "I believe we have".

2

His life had been ordinary up to this point. There was nothing about him that made him seem different from the crowd, he was anonymous, he lived an anonymous life. He had drifted through school, through employment, through life, a notable underachiever; his youth had passed him by without incident. He lived in a typical house in a typical street with his Wife and 2.4 children. There was nothing visible to separate him from the great mass of humanity surrounding him. But he was different.

It had all changed that one day in autumn. Circumstances had forced his hand. Now he was proud of the system, though proud was perhaps too strong, for somewhere inside he still felt a deep regret that the system had proved necessary to his survival. Being respectable and successful would have meant so much more, but it was never to be, it never could be now.

It had all begun so slowly, but now its strength was frightening to behold, and yet it was all rooted in principles which had a simple premise - the institutions were vulnerable. They had no choice but to open themselves to abuse, and trust in the basic honesty of the great mass of the people. All it took to gain advantage from that belief was someone like him and the conjunction of circumstances that made his reactions inevitable.

Now, the network was indeed formidable. In every city and major town there were 'operatives' carrying out orders, taking over empty houses, moving into salubrious areas, opening offices in respectable business premises. Most of all, these operatives generated cash flow, withdrawing vast sums of money, yet in such small amounts at a time to be inconspicuous among the millions of transactions made daily by the honest section of the population.

His own distinctly dishonest transactions would only become obvious as such when the inevitable defaults began to appear, after all, there was no point to drawing money then paying it back again.

Some payments were indeed made. It was all a question of balance. While there were still opportunities to gain from keeping the account and the identity seemingly valid, there was reason to 'invest' in such an individual's illusory future as bait, in fact, to lure further income into the net.

The down side of these accumulating defaults was of course the growing visibility of the deception. Already, the system had accounted for some £10 million vanishing from the institutions. Around now, he knew, the authorities would begin to notice the unusual activity and take steps to monitor, identify any problems, and eradicate them, but he also knew that the nature of bureaucracy was slow to take action. It would be some time yet before his enemy began to take decisive steps against him. Defending the system would not be simple, for it had in effect become a bureaucracy itself. Controlling it, even with the swiftest of intentions, was like steering the Titanic away from the iceberg, so difficult for something of that size to make the manoeuvre quickly enough.

Another disadvantage was that his enemy had the best of resources and could call on any such resource without fear or favour, whereas he had to make every move by stealth, hide every action by subterfuge and cunning. At the same time though, the system had all the facts at its disposal, the others were working in the dark, unaware of how the pieces of the jigsaw fitted together. Also, as vast as the system was becoming, it was still the size of a fly in relation to the elephant that was the banks and the treasury, but as huge and powerful as the elephant was, it would have great trouble standing on a fly. Nevertheless, even as things were, he had the capacity to do enormous damage, and he had every intention of doing so.

Lost in these thoughts, he glanced out at the night sky through the stained glass window of his elegant mansion. To the right of him, and slightly below, there on the one lonely road along the horizon, he could see the luminous glow of cars as they drifted through the darkness, on their way home perhaps, or enjoying the company of someone they loved.

An aching loneliness filled his heart as memories of another time pervaded his consciousness. The system he had planned was already spectacularly successful.

Why then, did he still feel so empty inside?

3

In a city far away, in the comfort of his home, with his wife Jane and their children safely tucked into bed, the Chief was trying to relax with a glass of whisky, but to no avail. His mind was full of the events of the day. His concern over this business was growing, yet his superiors did not seem to be taking this threat seriously enough, they were exhibiting typical complacency, and seemed to think that by drafting him into the spotlight, the problem had been solved.

The call had come a few weeks before. A somewhat officious lackey had loftily informed the Chief that he was hereby summoned to APACS to see the Director-General. The Chief was no stranger to that building, but calls like this were rare, they meant something big was on the cards. Despite his years of experience, the Chief still had butterflies in his stomach as he stood on the elegant escalator taking him up through the magnificent building symbolically to the upper echelons of the Director-General's suite.

"The Director-General is expecting you," the receptionist said, smilingly showing him through. He had not been kept waiting, another portent, he thought at the time.

"Come in!" said Farquhar-Brown in friendly fashion, another bad sign.

Welcoming him in with a handshake and a few pleasantries.

Farquhar-Brown had come straight to the point.

"We have a major credit fraud on our hands," he said, outlining the same facts he had presented to the APACS committee.

When he heard what was involved, the Chief whistled quietly to himself. This really is a challenge, he had thought. Even then he could already see that complacency from the APACS committee was likely to be a negative force in his investigations. Not that this was anything new, but it could be a problem if the scale of damage proved to be as bad as his instincts were already telling him.

"Anything you need is yours," Farquhar-Brown said, though both of them knew that wasn't strictly true.

"Anything within reason, more like", thought the Chief, but he saying nothing. He too had long ago learned the nature of survival and compromise.

"I'll need to choose my own team" was all he had said, proceeding to name several of the APACS specialists, and in particular, as his personal assistant and number one, the woman who was in his opinion, the real expert in her field of credit systems, Susan Bryde. They had worked together on many cases, but only when 'big guns' were called for. Their individual expertise was deemed by their superiors too rare and too in demand to be left undiluted by working together on the vast bulk of cases, which in the main, proved to be fairly easy to deal with.

End of sample

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