White-collar computer criminals draw millions

By Hollie Wieland

Computer crimes account for $100 million of the $40 billion lost to white-collar crime a year in America, said Harold Berghel, assistant professor of computer science.

Berghel, speaking in the Nebraska Union, said although computer fraud cases are spread throughout the United States, they seem most prevalent in California, and least prevalent in the federal government.

California has a large system of computer networks which probably accounts for the larger number of computer crimes there, Berghel said.

The federal government's lower number of crimes could be due to a feeling of paternalism, which might prevent people from committing crimes against their country, but more likely such crimes are dealt with by the administration and never reach the public, Berghel said.

Four categories of computer crime were listed by Berghel.
–cases when the computer is the instrument of the act.
–cases in which the computer is the victim of the act.
–cases in which the computer is used to intimidate or deceive.
–cases in which the computer creates a unique environment for the act.

According to Berghel, computer crimes most often involve banks and education services.

Free credit

Banking crimes generally involve money, and education crimes involve services such as assigning students extra credit hours," Berghel said.

Berghel called one example of computer fraud the "ping-pong check case." The case involved a check with a false East Coast bank identification on the top of the check and a false West Coast magnetic coding at the bottom.

Berghel said that when a check was cashed on the East Coast, the computer would read the magnetic coding and send it West. It was then discovered by the computer that there was no such bank account and the check would then be sent back East, where, if run through a computer again, would be sent back West. After three days banks automatically consider checks good. Long before the check returned to the East for the first time, the bank would have transferred funds for the check into an account, Berghel said, adding that several thousand dollars could be gained through this process.

Berghel cited another computer crime which he called the "blank deposit case." The crime involved replacing uncoded deposit slips which banks provide for customers with the criminal's deposit slips, automatically depositing money into his account.

Extra shipments

The "Jerry Schnieder case" involved a man obtaining access to a company's computerized system and ordering extra shipments to be delivered to his warehouse. Eventually when he had a full warehouse, he sold his merchandise to the company at a cut-rate, Berghel said.

Berghel said of people involved in computer crimes, only 50 percent are convicted of felonies, 10 percent are charged with felonies only to have the charges dropped, 35 percent are never prosecuted, and 5 percent are hired by the victim of the computer crime.

According to Berghel, a study of computer crimes showed the average computer criminal is 25 years old, generally does not work alone, and thinks it is immoral to criminally hurt an individual but it is all right to hurt a large company.

The study also showed that more than 90 percent of computer crimes are performed by employees who generally do not appear to do anything that would be considered abnormal in their work.

Photo by Mitch Hrdlicka
Hal Berghel

Senators get student view in GLC's adoption project

Adopt a senator. Visit his office. Take him out to lunch. Bring him home to meet the folks. Voice your views as a student to the state senator from your district.

Adopt-a-senator is the newest project sponsored by UNL's Government Liaison Committee. GLC members Drew Beltz and Laura Lonowski said the purpose of the program is to "let the senators know what the students are concerned about."

The committee will recruit at least 49 students from legislative districts to adopt a senator. The students will be asked to contact senators from their districts and meet with them to discuss student concerns.

Lonowski said the students will not be required to discuss any specific topic with their adopted senators.

She said, however, that GLC will provide some general guidelines for meeting with the senators.

GLC will be recruiting students for the adopt-a-senator program Wednesday, Thursday and Friday in a booth in the Nebraska Union.

The committee will hold an orientation meeting Sunday before students meet with their adopted senator. A follow-up meeting is April 5.

According to Beltz, state senators have endorsed the adopt-a-senator program.

"We have shared the idea with several senators and they seemed pretty enthusiastic about it," he said.

Beltz also said the program will not limit one student to each legislative district.

Graduates choosing Lincoln may explain city's growth

The growth Lincoln experienced between 1970 and 1980 may have been due partly to UNL graduating seniors deciding to stay in the city.

Census records show Lincoln had a population of 171,787 in 1980, up 14.9 percent from the 1970 total, to rank 80th in size among the nation's cities.

The Nebraska capital was one of only three northern cities to gain population since 1971, joining Columbus, Ohio, and Anchorage, Alaska.

In an informal poll of 15 seniors, all but three said they intend to stay in the Lincoln area.

Janine Copple, a fine arts major, said her staying would depend on whether she will attend a graduate school or not, but she said the city's growth did not surprise her.

"I think people may be realizing life in the big cities may not be what they want," Copple said. "A city like Lincoln that's not out in the sticks and still able to offer a cultural life may be more enjoyable."

Marc Krause, who was graduated in December with an accounting degree, said Lincoln is a good place to find a job, is not too big or too small, and has a low crime rate.

David Berger, a horticulture major who was born and raised in Lincoln, also said he would stay.

"From my own observation, it's basically a family town, and it's a clean town," Berger said.

"I know quite a few people from out of state, and they are moving in not so much because of the jobs the city has to offer, but because of the good atmosphere."

"A lot of people are looking for that nowadays," he added.

Jane Hurlbut, an elementary education and human development major, said she will stay in Lincoln if she can find a job here.

"I like the town," Hurlbut said. "It's nice, clean. There are a lot of opportunities available here, and it's just the right size."

Jim Harper, a pre-medical student, said that while Lincoln is a nice place to live, he prefers a larger city.

"I like Lincoln, but I like Omaha a lot better," Harper said. "There's a lot more Omaha has to offer."