

# Societe Generale (A): The Jerome Kerviel Affair

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**Jerome Kerviel**  
31 years of age - Master of Finance - University of Lyon



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MSc in Finance & Risk Management (2014) - Bocconi University  
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**The Final Diagram**



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**How did I do it?**



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**Alternative Options**





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**Possible Outcomes**



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**What is your decision when you face the same situation?**

WIN  LOSE 

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Top decision making!



# Thank you :)

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Starting position: Risk Management Office - Back-Office Systems and Security Systems

Ending position: Lower level trader - Delta-One Trade

Co-worker impression: motive to impress the senior

Responsible for series of rogue transactions and the loss of \$7.19 billions

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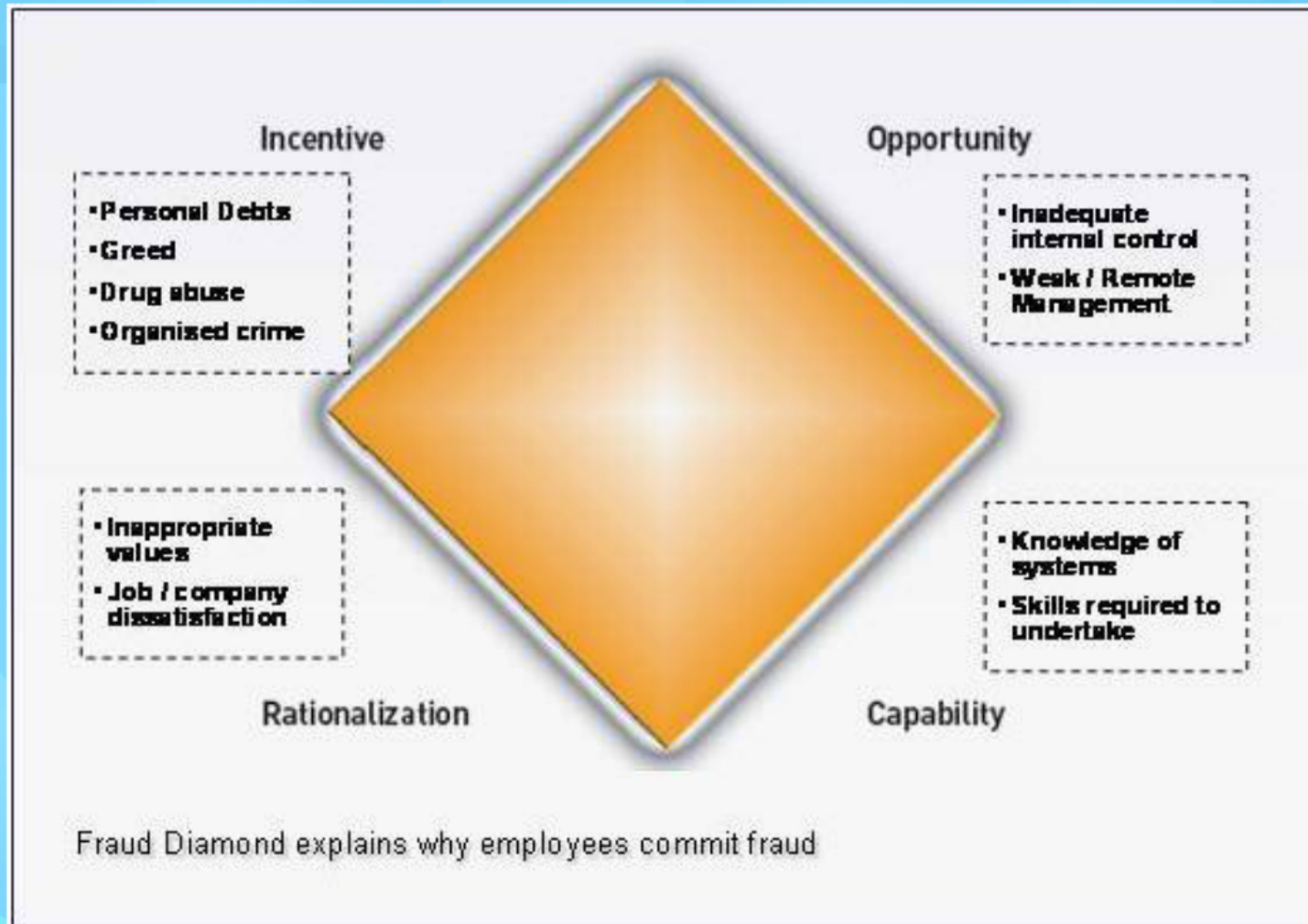
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## How did I do it?



- Unauthorized access to the hedge fund
- Buy and Sell Shares accordingly to make profit
- Make up Fictitious balances to off-set the rogue transactions
- Remove the leads before internal schedule checks
- Give up vacation

# The Fraud Diamond



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# Alternative Options

- Medical check for abnormal behavior
- Conduct strick management review
- Enhance Securities: biometric authorised access
- Redesign internal control
- Mandatory Vacation days



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# Possible Outcomes

Sorry Boss, my hands is tight!!!



Employee



The Boss

Thanks God, We LOVE



The Investors

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you face the same situation?**

**WIN**



**LOSE**



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Hope you dont ask anything :P

