

# The Flaxil Label (B)

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### Thecasesolutions.com Parmalat Scandal

The Parmalat scandal is considered one of the major corporate frauds in history. The company was founded in 1983 and was a leading producer of dairy products. In 2003, the company was found to have inflated its sales by over \$10 billion. The scandal led to the company's bankruptcy and the arrest of its CEO, Luciano Pirelli.

Source: The Parmalat Scandal, Reuters, 2003.

### Parallels to Entrepreneurship Thecasesolutions.com

**Parmalat Founder:**  
This scandal is similar to an entrepreneurship scheme because it was a large-scale, multi-million dollar venture that was run by a single individual.

**Born Visual Founder:**  
Most of the companies involved in this scandal were run by individuals who had no prior experience in the industry.

**Visual Founder:**  
The founder of the company was a visual artist who used his artistic skills to create a convincing image of the company's success.

### How It's Not Legit Thecasesolutions.com

None of these were legit businesses or entrepreneurship, they were schemes. They deceived people, took advantage of other people's money and used it for personal use, and personal gain.

### Visuals...

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Logo



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**Nita Crandwell Scandiat**  
Ms. Crandwell has a huge rich man life, entrepreneurs do the work a huge leap in order to get money. She made so much money she lived a double life as a very rich woman.

## Logo



The Parmalat scandal is considered a white collar crime. The crime committed was financial fraud. Parmalat defaulted on a \$185 million bond payment in November. Auditors then looked over the company accounts. Around 38% of Parmalat's assets were shown to be held in a \$4.9 billion Bank of America account of a Parmalat subsidiary in the Cayman Islands. On Dec. 19, Bank of America reported that this account never existed. Italian prosecutors say they have discovered managers just "invented" these assets. They had as much as \$16.2 billion in liabilities and fake accounts over a 15 year period. This forced the \$9.2 billion company into bankruptcy on Dec. 27. Trading in Parmalat shares was then suspended the same day.

On Dec. 1, 2003, where he was arrested several times, that one of his sons, His son's name and character lost \$50,000, pleaded guilty to a sentence.

Jim Burke, Rockford's mayor, had been given a statement from a curious bank account number. FBI instructed him to keep quiet. Burke and her expensive habits, mainly her love of playing polo as a municipal worker and her money she had embezzled from farms in Illinois. Burke had pretended Swanson, the worker that found the FBI showed up to arrest Crundwell. faltered. Since 2006 Crundwell stole half of Dixon's entire operating budget. 2006, she stole \$23 million bringing became the biggest municipal embezzlement among embezzlers of any kind. She was arrested November 14th in federal court in Illinois.

Source: DWIH, St. Louis "The City Source: DWIH, St. Louis  
Embezzlement," Chicago Mayor  
[www.chicagomayor.com/press-releases">www.chicagomayor.com/press-releases](#)  
December 2011 & 18 Jan 2012  
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## **Bernie Madoff**

On December 10, 2008 Madoff's sons wanted to know where he was getting money from to be able to give out several millions of dollars in bonuses. Madoff admitted that one branch of his firm was actually a Ponzi scheme. His son's reported him and the next day he was arrested and charged with securities fraud. He told authorities he lost \$50 billion of investors money. In March of 2009 he pleaded guilty to 11 felony counts. Madoff was then sentenced to 150 years in prison.

Source: "Bernard Madoff." Biography.com, A&E Networks Television, 17 May 2017, [www.biography.com/people/bernard-madoff-466366](http://www.biography.com/people/bernard-madoff-466366).



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## Rita Crundwell

Jim Burke, Rockford's mayor, had been the one to take in the bank statement from a curious bank account to the FBI on October 2011. The FBI instructed him to keep quiet. Burketed to think of Rita Crundwell and her expensive habits, mainly her show horses. During the day she played role as a municipal worker and at night she was a high roller with the money she had embezzled from the cornfields and cattle farms in Illinois. Burke had to pretend he had no idea and so did Swanson, the worker that found the bank statement. Then one day the FBI showed up to arrest Crundwell. According to Burke her face never faltered. Since 2006 Crundwell stole around \$30 million, more than half of Dixon's entire operating budget over that period. From 1990 to 2006, she stole \$23 million bringing the total to \$53 million. Crundwell became the biggest municipal embezzler in U.S. history and ranks fifth among embezzlers of any kind. She pleaded guilty to fraud on November 14Th in federal court in Rockford.

Source:Smith, Bryan. "Rita Crundwell and the Dixon Embezzlement." Chicago Magazine, [www.chicagomag.com/Chicago-Magazine/December-2012/Rita-Crundwell-and-the-Dixon-Embezzlement/index.php?cparticle=1&siarticle=0#artanc](http://www.chicagomag.com/Chicago-Magazine/December-2012/Rita-Crundwell-and-the-Dixon-Embezzlement/index.php?cparticle=1&siarticle=0#artanc)



# Parallels to Entrepreneurship **Thecasesolutions.com**

## **Parmalat Scandal:**

This scandal is similar to an entrepreneurship because they were in it to make money, they wanted gain as much money as possible. in the end their goal would be achieved. They made as much money as they could.

## **Bernie Madoff Scandal:**

Madoff ran a ponzi scheme (fraud in which there's belief in the success of a nonexistent enterprise that's fostered by the payment of quick returns to the first investors from money invested by later investors). For this "enterprise", much like an entrepreneurship, the goal was to make millions if not billions of dollars. He met his goal, in the end he lost \$50 billion.

## **Rita Crundwell Scandal:**

Ms. Crundwell took a huge risk much like, entrepreneurs do. She took a huge leap in order to get money. She made so much money she lived a double life as a very rich woman.



# **How It's Not Legit**

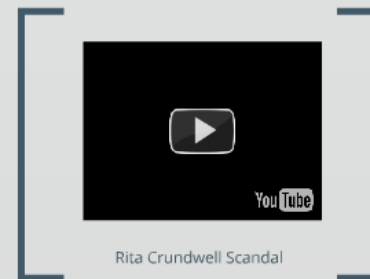
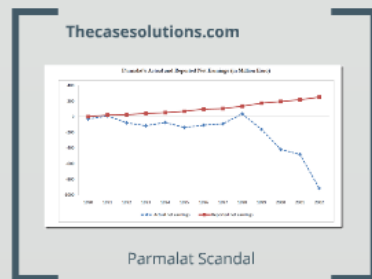
## **Thecasesolutions.com**

None of these were legit businesses or entrepreneurship, they were schemes. They deceived people, took advantage of other people's money and used it for personal use, and personal gain.

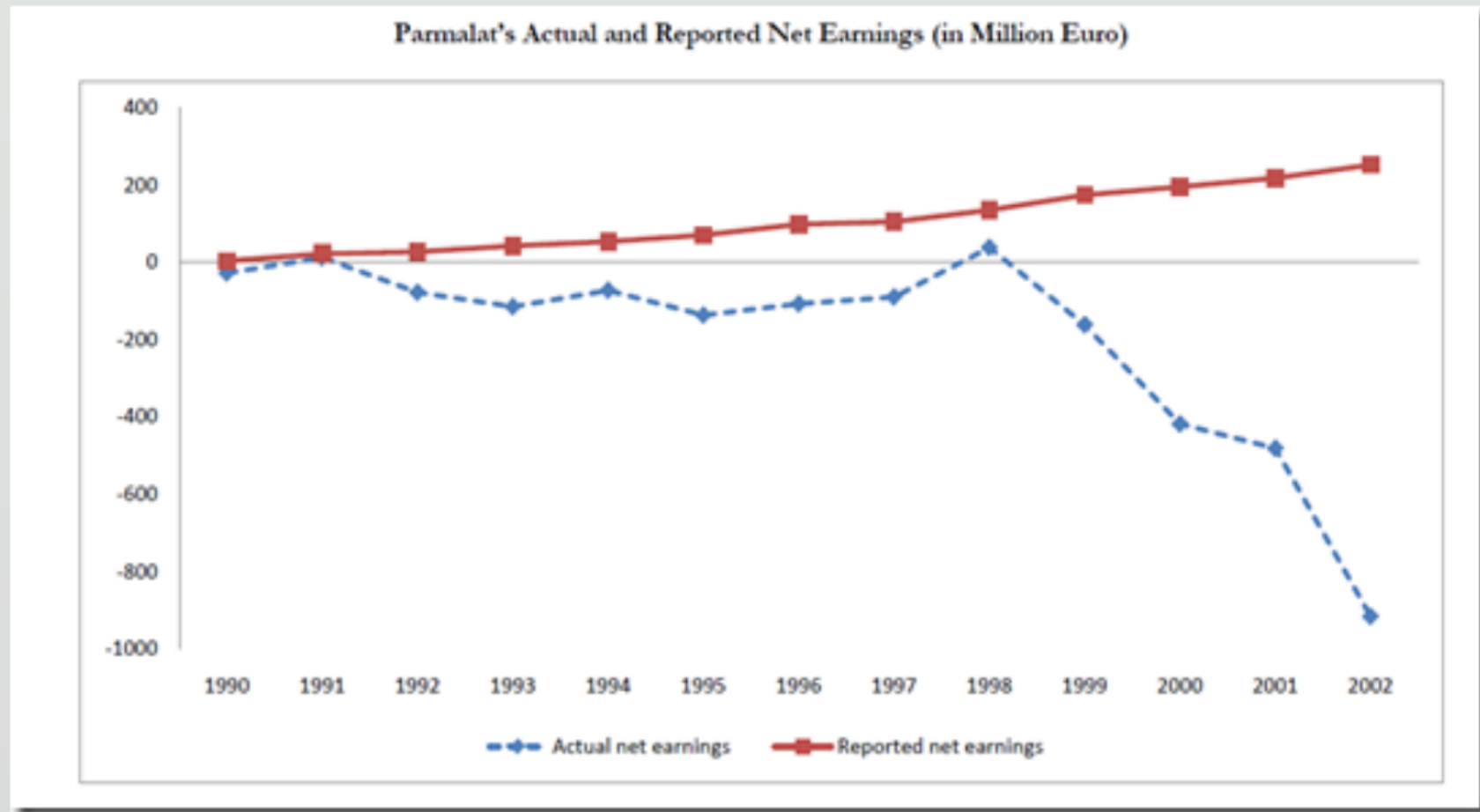


# Visuals...

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## Parmalat Scandal