

## Topic Page: [Fraud](#)

Definition: **fraud** from *QFinance: The Ultimate Resource*

dishonest methods used for personal benefit the use of dishonesty, deception, or false representation in order to gain a material advantage or to injure the interests of others. Types of fraud include false accounting, theft, third party or investment fraud, employee collusion, and computer fraud. See *also corporate fraud*

Summary Article: **fraud**

From *The Columbia Encyclopedia*

in law, willful misrepresentation intended to deprive another of some right. The offense, generally only a tort, may also constitute the crime of false pretenses. Frauds are either actual or constructive. An actual fraud requires that the act be motivated by the desire to deceive another to his harm, while a constructive fraud is a presumption of overreaching conduct that arises when a profit is made from a relation of trust (see fiduciary). The courts have found it undesirable to make a rigid definition of the type of misrepresentation that amounts to actual fraud and have preferred to consider individually the factors in each case. The misrepresentation may be a positive lie, a failure to disclose information, or even a statement made in reckless disregard of possible inaccuracy. Actual fraud can never be the result of accident or negligence, because of the requirement that the act be intended to deceive. The question of commission may depend upon the competence and commercial knowledge of the alleged victim. Thus dealings with a minor, a lunatic, a feeble-minded person, a drunkard, or (in former times) a married woman are scrutinized more closely than dealings with an experienced businessman. A lawsuit based upon actual or constructive fraud must specify the fraudulent act, the plaintiff's reliance on it, and the loss suffered. The remedy granted to the plaintiff in most cases is either compensatory (and possibly punitive) damages for the injury or cancellation of the contract or other agreement and the restoration of the parties to their former status. In a few states of the United States both damages and cancellation are available. In certain suits based upon a contract, fraud may be introduced as a defense.

[APA](#)

[Chicago](#)

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fraud. (2018). In P. Lagasse, & Columbia University, *The Columbia encyclopedia* (8th ed.). New York, NY: Columbia University Press. Retrieved from <https://search.credoreference.com/content/topic/fraud>

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*The Columbia Encyclopedia*, © Columbia University Press 2018



## APA

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## Chicago

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## Harvard

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## MLA

"fraud." *The Columbia Encyclopedia*, Paul Lagasse, and Columbia University, Columbia University Press, 8th edition, 2018. *Credo Reference*, <https://search.credoreference.com/content/topic/fraud>. Accessed 18 Nov. 2019.