

Common Symptoms of Fraud

1. Missing or inadequate documentation
2. No evidence of performance
3. Rush jobs (*"Please hurry, return to me ASAP"*)
4. Bank account is overdrawn regularly
5. The bank is sending us letters that we are consistently keying in too large of a deposit into an ATM
6. Odd spikes in transactions correlating with incentive compensation cut-offs
7. Large, round sum cash transfers to odd locations
8. Weekend transactions, or transactions at strange hours
9. Pattern of complaints by third parties: vendors, customers, stakeholders
10. A branch or business unit is earnings-rich but cash-poor
11. Severe lack of transparency into an area
12. Top performance, especially by a new employee
13. Unbelievable consistency in performance
14. Transactions still outstanding with a date of several years ago
15. Transactions booked with a future date
16. Vendor, payroll, or customer records showing an unusual number of field changes, such as address or name
17. Vendor address, tax ID, or phone number matches an employee's
18. Receivables with consistent change to due dates
19. Projects such as system implementations or construction jobs grossly over budget and behind schedule during the initial phase
20. New products written off as excess & obsolete
21. Unusual number of sales voids, reversals, discounts, or refunds
22. Too many "low ring" sales
23. Unusually high overtime by an employee, or hours billed by a consultant
24. Unexpected blank fields in system data (payroll recipient without a tax ID, product sale without a bill of lading, fixed asset with no useful life, inventory with no cost basis)
25. Name of the vendor delivering the product or service does not match the vendor invoicing the product or service
26. Customer, vendor, or employee does not exist
27. Key contract terms have been altered
28. Perishable products expiring too quickly
29. A transaction is duplicated
30. A G/L account is demonstrating exponentially increasing activity, period after period

31. A system-generated document contains math or justification errors
32. Existence of a “confidential payments system,” a process for cutting checks outside of A/P
33. A vendor invoice lacks detail: “Services,” or “Consulting Fees”
34. A general ledger transaction contains unusual words, such as “override” or “correct earnings”
35. Escalating transactions into a general ledger account not included on the Chart of Accounts
36. Too many Work Order or Job Order cancellations related to the same project or third party
37. Amount of goods sold or purchased is unreasonable (e.g., we are leasing 2.7 laptops for every employee in our company)
38. Dates do not make sense (a money order cashed before it is created, a purchase order created after the invoice is paid)
39. Someone being paid is never present
40. Deposits take several days to post on the bank statement
41. The payee is deceased
42. Time cards from multiple employees show they always clock in early at the same time and always clock out late at the same time
43. A spike in asset / revenue activity just prior to a period end
44. A dip in expense / liability activity just after a period end
45. Columns and rows hidden or white font used in spreadsheets