

What Can Go Wrong: Employee Reimbursements & Company Credit Cards

1. An organization with a purchase-card program discovered 74 credit cards were distributed amongst three employees plus ten of their friends and family. These 13 people spent \$5.9 million on personal items, reimbursed by the organization.
2. A school superintendent and his wife charged \$640,000 in personal expenses to his district-paid procurement card. In another major district, one administrative employee amassed \$330,000 personal expenses in one year, another \$275,000.
3. An employee in charge of their not-for-profit organization's purchase-card program charged \$2.1 million in personal expenses and cash withdrawals over 2 years.
4. The travel team failed to review the system for employees who purchased a refundable, full-fare plane ticket but never took the flight. The result was \$700,000 in unused plane tickets. In many of these cases, the employees received a refund for the unused ticket and also received a reimbursement on their expense report.
5. A purchasing director submitted his travel expenses three times for reimbursement: once with a legitimate expense report, a second time with the receipts photocopied, and a third time with the credit card statements of the expenses he already submitted.
6. An executive assistant had full access to the CFO's credit card, and she received his monthly statements. Neither the CFO nor anyone else reviewed the statements. She and her husband were able to charge \$100,000 in personal expenses to his company-paid card.
7. A general manager cut off their employees' ability to use their company-paid credit cards on Sundays. Annual purchases subsequently decreased by \$200,000.
8. Instead of actual receipts, employees submitted quotes and estimates for reimbursement.
9. To circumvent card limits / approval authority, employees split a purchase to the same vendor over several company-paid credit cards or expense reports.
10. An employee used the company-paid card or expense reporting system to pay for expensive tables at politicians' fund-raiser events or to pay for lavish dinners with foreign officials.