

TIME FRAUD AND ABUSE

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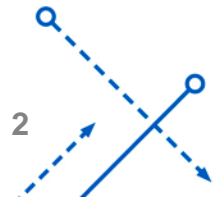
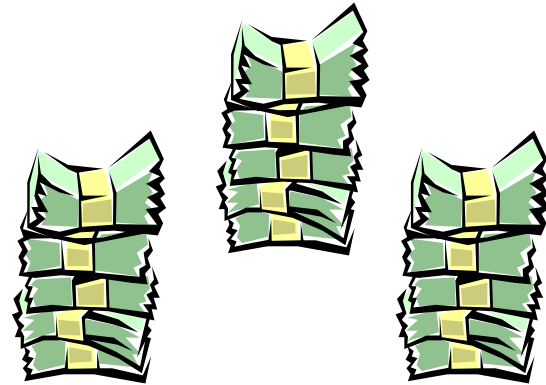
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Time Fraud and Abuse / Payroll Fraud

Paying employees incorrectly for the hours they have worked. Companies overpay employees based on falsified timesheet submissions. Some common schemes include:

- Employees have coworkers clock in or out for them
- Employees 'forget' to clock in or out
- Manual overrides
- Not using sick or vacation time appropriately
- 'Ghost' employees – getting paid for time not work (e.g. working part-time while being paid full-time)





2018 Global Study on Occupational Fraud and Abuse

FIG. 6 What asset misappropriation schemes present the greatest risk?

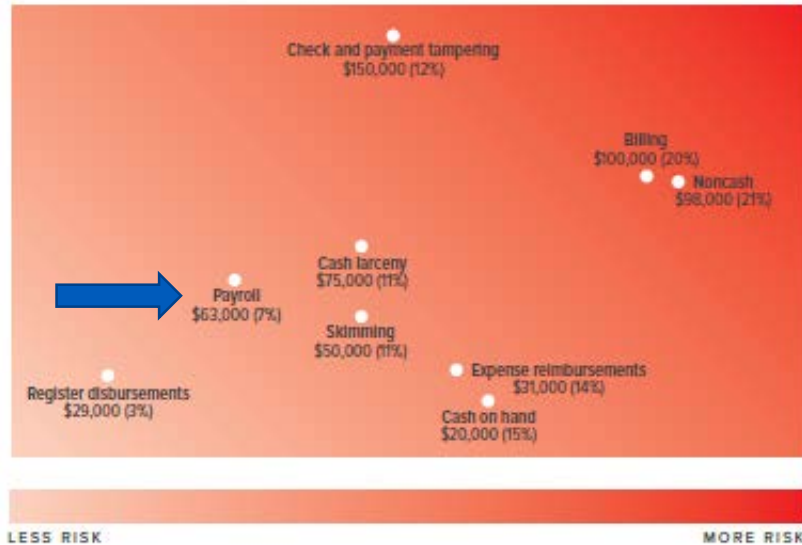
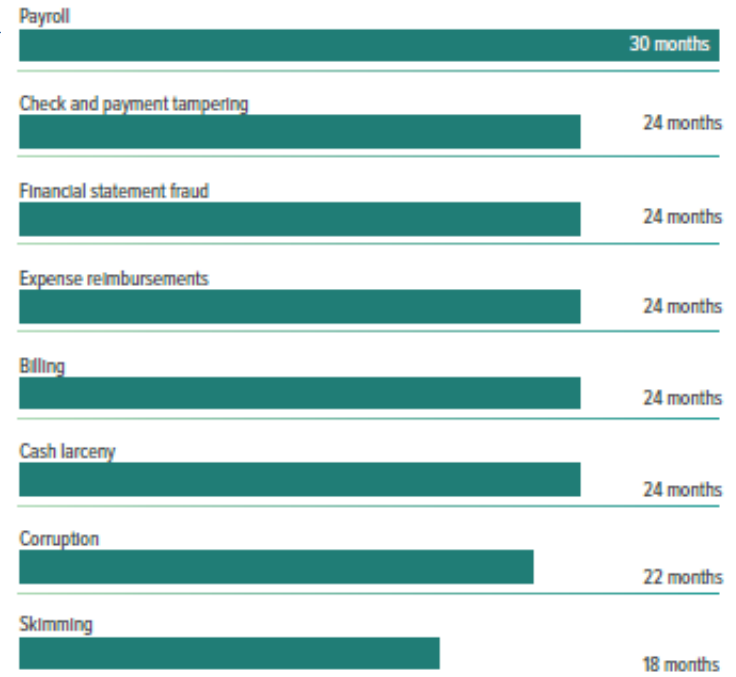


FIG. 8 How long do different occupational fraud schemes last?



New York State Inspector General

The New York State Office of the Inspector General investigates time theft by state employees. Criminal charges are based on the amount of time (translated into unearned salary taken) include termination, banning from civil employment, fines and prison time.

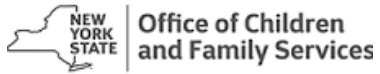


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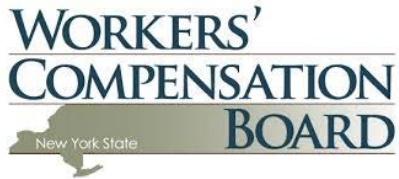
**SUNY Employee Criminal Charges for Time Theft
(\$15,000) *09/12/2018***



**Suspended Director... Pleads Guilty to Theft of \$68K
for Time He Never Worked *8/16/2017***



**Employee Pleads Guilty to Falsifying Time Records and
Stealing \$33K in Excess Pay *12/21/2017***



**Falsified Attendance Records and Theft of Nearly
\$12,700 in Unearned Salary *12/13/2017***



**Working out – Instead of Working – on State Time.
Former Social Worker is Charged with Grand Larceny
*12/23/2011***



Why should I worry about payroll fraud?

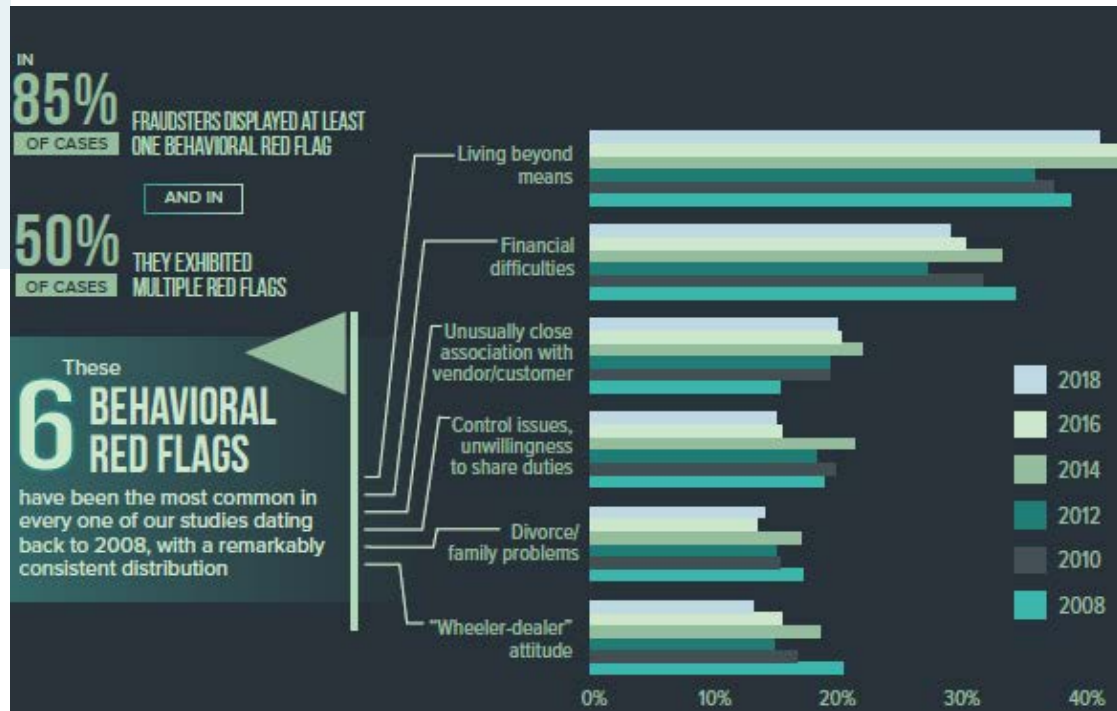
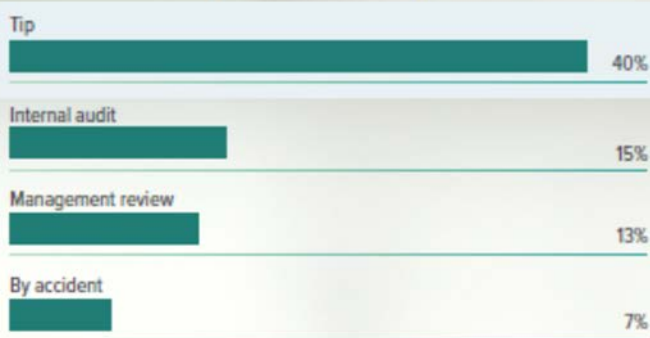
- Protecting your department's assets
- Reputation
- Employee Morale
- Ensure accurate recordkeeping
- Comply with state and federal regulations
- Reduce the frequency / occurrence of an audit or investigation
- Assist leadership in achieving strategic objectives

If you are responsible for supervising employees, you are accountable for their time!



What should I be looking for?

FIG. 9 How is occupational fraud initially detected?



Internal Controls and Payroll Fraud

- Meaningful review and approval of employee submissions
- Reconcile sick and vacation submissions with sick & vacation requests
- Periodically 'check-up' on employees working off-site and/or non-traditional hours
- Discuss work performance
- Use data analytics to spot anomalies
- Rotate job tasks to identify changes in productivity



Share your best tips and ideas!

