

# PAYROLL FRAUD



## Is fraud happening in your department?

Fraud can occur when an employee falsifies payroll records or manipulates the payroll system to receive payments from the City to which they are not entitled.

### How does it occur?



- > **FALSIFIES TIME CLAIMING SCHEDULED HOURS OR OVERTIME NOT WORKED BY:**
  - 1 Taking unauthorized breaks during work hours
  - 2 Having co-workers sign in or out for him/her
- > **WITH ACCESS TO THE PAYROLL SYSTEM, MANIPULATES INFORMATION THAT RESULTS IN UNEARNED COMPENSATION BY:**
  - 1 Increasing hourly pay rate
  - 2 Adding unauthorized skill pay, excess leave or other benefits

### How can you prevent it?

- Employee accurately records and reports work and leave hours
- Supervisor reviews and approves all time, including overtime and leave hours, to ensure accuracy
- Human Resources and Central Payroll cross-reference payroll records to pay rate and skill pay authorization documents to verify accuracy
- Budget personnel review unexpected increases to personnel costs and investigate any suspicious activity

# WHAT ARE RED FLAGS?



Employee often submits time early/late or makes frequent revisions



Employee has taken vacation or other leave but reports do not show a decrease in leave hours



Employees who process payroll frequently access system outside of normal office hours or do not take vacations



Employee charges unusually high number of overtime hours worked



Employee has no deductions for payroll taxes or benefits



Fluctuations in payroll costs when compared to prior periods



REPORT TIPS ANONYMOUSLY 24/7

**HELP FIGHT** FRAUD WASTE & ABUSE

Call or visit our website now. The more information you provide, the better the investigation. Include in your tip >>>

WHO  
WHAT  
WHERE  
WHEN

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