

Recognizing Fraud

Fraud is a false representation about a material fact. It is any intentional deception designed to unlawfully deprive the United States, the EPA or the CSB of something of value or to secure for an individual a benefit, privilege, allowance or consideration to which he or she is not entitled.

Examples of Fraud Indicators	
<ul style="list-style-type: none">• Unexplained entries of altered records• Unusually large amounts of payments in cash• Inadequate or missing documentation• Delays in producing requested documentation• Non-serial number transactions• Unauthorized transactions• Unusual patterns and trends in contracting and procurement• Unrealistic contract prices• Increase in claims for reimbursement• Offers of gifts, money, or other gratuities from contractors, grantees, or other individuals dealing with the government• Photocopies of documents where it is difficult to detect alteration• False or misleading information• Missing approval signatures• Lack of separation of duties• Discrepancies in handwriting	<ul style="list-style-type: none">• Lack of or out-of-date written policies and procedures, including those safeguarding assets• Lack of communication and/or support for ethical standards by management• Uncharacteristic behavior, including a person living beyond his/her means• Unaccountable funds• Uncharacteristic willingness to settle claims• Fictitious vendors• Unauthorized personnel with access• Overly complex organizational structure• High turnover rate• Reassignment of personnel• Termination of key personnel• "Missing" files, reports, data, and invoices (both electronic and paper)• Missing, weak, or inadequate internal controls• Management override of key internal controls• Inadequate monitoring by management• A history of impropriety