



Payroll Fraud

An Operations Manager at a labour outsourcing company, who was employed in spite of a criminal charge for theft against his name, created fictitious timesheets for past, casual employees who had not rendered services to the company in months. The employee then changed the banking details on the fictitious timesheets to reflect his own account details. This employee then used his position of trust to authorise the wage payments to the ghost 'employees' from the fictitious timesheets which went into his personal bank account.

Purchasing Fraud

A Warehouse Manager at a manufacturing company created false invoices for transport services from a company that didn't exist. The employee then submitted these invoices for payment and after they were processed he was able to authorise the payments into his own account, thereby causing the employer a direct financial loss.

Procurement/Tender Fraud

An executive at a health services company awarded tenders to companies run by his long time and personal friends in exchange for financial "kick-backs". These service providers did not have the operational capability to provide said goods or services to the employer. The senior employee then fraudulently manipulated the employer's system to add the service providers as authorised tender providers and then overrode the employer's controls in order to pay them. However, no goods or services were actually supplied to the employer causing them a direct financial loss in the region of R2m

Sales Fraud

A sales manager at a car dealership falsified offers to purchase, drastically reducing the selling price of the cars. He subsequently went on to sell the cars at the reduced prices, which were below the cost price (loss of profit or consequential loss is not covered). It is suspected that this was intended to increase sales and increase commission payments. It is interesting to note that the culprit was employed in spite of three outstanding fraud charges pending against him and he was on a "most wanted list". Another instance of sales fraud involves a group of employees taking advantage of a temporary glitch in the cash sales system. These employees continued conducting sales during the glitch and pocketed the cash from sales made during the time it took to correct the system. An administrator involved in the fraud then deleted the records of the sales from the system and the other employees removed the receipts for these sales enabling the staff to conceal their theft whilst keeping the cash collected. A further example of sales fraud involves a sales person who was responsible for distributing products to clients as well as invoicing them. He put his own banking details on the invoices and the clients paid the funds directly into his account.



Stock Theft

This is a common event experienced by stock holding companies such as retailers or distributors and involves a warehousing employee at a metals manufacturing client being involved in theft of company product. This employee colluded with security guards to steal stock during weekends and public holidays when the warehouse security was less stringent. This stock was not recovered causing the employer to suffer a loss at the cost price of the stock taken. Another instance of stock theft involved employees at a retail outlet misappropriating stock during the month. At the end of the month when the stock takes were done the employees attempted to manipulate the stock variance reports to conceal the missing values of stock items.

Accounts Fraud

An employee of a pension fund administrator was responsible for loading the banking details of beneficiaries and authorising payments to members of the fund. During the course of his employment he fraudulently made disbursements from a surplus fund into a variety of illicit bank accounts including one directly held by a co-worker. Once again, this employee had a theft conviction in his past yet was employed in a position of great trust.