

Red Flags of Fraud

Common Personality Traits of Fraudsters

- ◆ Wheeler/Dealer
- ◆ Domineering and Controlling
- ◆ Doesn't like people reviewing their work
- ◆ Strong desire for personal gain
- ◆ Have a "beat the system" attitude
- ◆ Live beyond their means
- ◆ Close relationship with customers or vendors
- ◆ Unable to relax
- ◆ Often have a "too good to be true" work performance
- ◆ Don't take leave time or only in small amounts
- ◆ Often work excessive/unnecessary overtime
- ◆ Outwardly appears to be very trustworthy
- ◆ Often display some sort of drastic change in personality or behavior

Common Sources or Pressure

- ◆ Medical problems – especially for a loved one
- ◆ Unreasonable performance goals
- ◆ Spouse loses a job
- ◆ Divorce
- ◆ Starting a new business or an existing business is struggling
- ◆ Criminal conviction
- ◆ Civil lawsuit
- ◆ Purchase of a new home, second home or remodel
- ◆ Need to maintain a certain lifestyle – Individual or spouse either likes expensive things or feels pressure to "one up" others regarding material possessions.
- ◆ Excessive gambling
- ◆ Drug or alcohol addiction

Changes in Behavior

- ◆ Suddenly appears to be buying more material items
- ◆ Brags about new purchases
- ◆ Starts carrying large amounts of cash
- ◆ Creditors/bill collectors call or come by work
- ◆ Borrows money from coworkers
- ◆ Becomes more irritable or moody
- ◆ Becomes unreasonably upset when questioned
- ◆ Becomes territorial over their area of responsibility
- ◆ Won't take leave or only takes leave in small increments
- ◆ Works unneeded/unnecessary overtime
- ◆ Turns down promotions
- ◆ Starts coming in early or staying late
- ◆ Professes need to redo or rewrite work to "make it neat"
- ◆ May begin mentioning family or financial problems
- ◆ Exhibits signs of drug or gambling addiction
- ◆ Exhibits signs of dissatisfaction