

A man in a blue suit, white shirt, and patterned tie is walking towards the right. He is smiling and wearing white earbuds. He is holding a white coffee cup in his left hand and pulling a black rolling suitcase with his right hand. The background is a blurred city street. In the foreground, there are abstract, glowing green lines on the ground, resembling a stylized map or data visualization. The overall color palette is dominated by blues and greens.

 Oversight

How to Detect and Stop

Fraud, Waste, & Misuse in Employee Expenses



Occupational Fraud – The ‘Five Percent Factor’ in Financial Risk

Occupational fraud hurts. To the tune of 5% lost revenues annually¹. **Median loss per case is a painful \$130,000.** Perpetrators reside in the C-suite or work anywhere in the company. There’s no hard core of easy-to-find regulars. Nearly 90% of fraudsters are first timers with clean resumes; tough to spot pre-hiring.

1. Association of Certified Fraud Examiners’ (ACFE) Global Fraud Study.



Where Does Fraud Hide?

Around 14% of total fraud stems from misuse of P-Cards and T&E reimbursements. Employees often start by cheating on expense reports, graduating to other frauds.

How Can Technology Help?

Auditors are human. Spotting and shutting down fraud is superhuman. Step forward AI-based data analytics. Think of them as an always-on assistant, with a tireless capability to **analyze every transaction across T&E and P-Card programs**. With complete context analysis, and the same rigor applied by internal auditors or fraud examiners.

Which Technologies? What Do They Deliver?

Rules-based, behavioral and deductive analysis, evidential reasoning, and standard business intelligence combine in complex analysis. The technology monitors transactions continuously, delivering two benefits to organizations. First, they can flag suspicious activities within large data volumes. Second, they cut out noise, distinguishing highest priorities among hundreds of indicators of fraud, misuse, and waste. These then undergo skilled human investigation.



Finding – And Fixing – Holes In The Controls

Weak controls create fraud and misuse opportunities. AI-driven analytics tighten the net, checking for fraud schemes and misuses. Auditors have a detailed view of spending habits and can pinpoint employees exhibiting non-compliant activity. Longer term, they protect bottom lines by adjusting policy, procedures, controls, and training, preventing issues recurring.

Comprehensive Cover Replaces Spot Checks

Reliance on spot checks and sample deep dives ends. Auditors enjoy monitoring and analysis of all transactions across all expense reports and time intervals. The strategic benefit is increased compliance. Organizations are empowered to have employees follow corporate travel and expense policies. Day-to-day, companies monitoring with the power of AI pinpoint non-compliant spending, equipping management to take appropriate action.

Data Driven Audit Automation Acts Fast. Saving Time and Money.

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Median fraud schemes detection time is 16 months².

Organizations monitoring data using the power of AI detect frauds in less than half the time, with 52% lower fraud losses.

How Employees Spend (Steal) Employers' Money

Our solutions have helped detect employees expensing the personal and the bizarre! Including weekly visits to the liquor store, funerals, wedding receptions, and family vacations. Even online psychics have appeared. But companies want to influence employee behavior practically, not psychically.





End Playing Cat And Mouse

'Gotcha' moments boost auditor morale. But they risk the gamification of fraud, with perpetrators knowing detection odds are stacked in their favor. **Automated analysis, with relentless regularity, works far better.** It drills into the 'why' of non-compliant spending. And it enables companies to adjust spending policies and provide training and coaching to modify employee behavior, before it becomes habitually damaging.

If building this compliance culture sounds time consuming, consider that an effective monitoring solution should deliver automated policy education and feedback to employees. By socializing specific policy violations, companies have improved employees' future spending decisions, reducing violations by up to 70%.

Finding 'Genuine Fraud' Drives Technology ROI

Your automated data analytics solution should deliver strong ROI by identifying true positives: real cases of fraud, misuse, or error. False positives are just another cost, requiring effort for no useful outcome. Here, time-based reasoning is key: viewing transactions in the context of their relationships over time, to determine the unusual from the everyday.

Best In Class Support For Your Audit Function

Advanced AI-based data analytics support your audit activity with these built-in functionalities:

- Automatic identification of high-risk transactions.
- Automatic high-risk activity assignment for audit team remediation.
- Integrated case management workflow for efficient resolutions and effective stakeholder communication.
- Permanent audit log recording of key individual case details and creating compliant documentation.
- Built-in dashboards leveraging data analytics and workflow, providing actionable senior management information.
- Resolution results feed to next data analytics run, enabling the system to grow smarter with each iteration.

Plug In To The Power Of Artificial Intelligence

An AI-powered, automated data analytics tool, coupled with your TEM software, is measurably the best way to holistically manage, mitigate and minimize total T&E and P-Card risk, in real time. And when that tool is Oversight, you have the winning combination. The advantages of AI are right here right now, and Oversight can apply them to your business. Because, as we say, **Oversight is AI in action.**