



Volume 8, Issue 10 – October 26, 2016

## Fighting fraud is everyone's job

### Highlights

- Fraud directly and negatively impacts every state employee and taxpayer.
- Report any known or suspected fraudulent activities through your agency's designated reporting channels.
- November 13-19 is Fraud Awareness and Prevention Week in the State of Minnesota.

Would you like to pay more taxes? How would you feel if your agency had less money to give pay raises to you and your colleagues? Or if your organization had fewer funds to make IT upgrades to help make your job more efficient? How about if your boss told you there is nothing left in the budget to send you to training to help grow your professional skills? How would you like taking time away from your normal job duties to research and gather information about old transactions, or spend time talking with auditors or law enforcement about those transactions? How would you like for your reputation to be sullied due to no fault of your own?

Certainly, these are all rhetorical questions. Obviously, none of us want to experience any of those things. However, those are the exact types of fallout you might experience and have to deal with if a significant fraud were uncovered at your agency, particularly if the fraud happened within your immediate work unit.

Fraud can happen in any organization, including your agency. The Association of Certified Fraud Examiners (ACFE), an entity dedicated to fighting fraud across the globe, estimates that 5% of every organization's annual revenue is lost to fraud. More significant to us state employees, the ACFE found the government sector is the second most targeted by fraudsters, behind only banks and other financial institutions. This equates to millions of our taxpayer dollars in the pockets of crooks who could care less about the impact their crimes have on you, me, or the taxpayers we serve.

ACFE studies consistently show that tips are the most common fraud detection

method, far ahead of internal and external audits. This statistic implies it critical that every agency provide designated communication channels for employees and other stakeholders to use for reporting fraud or other suspicious and inappropriate activities. Agency leaders must routinely remind and train staff about the reporting channels, and provide assurances they will act upon reports swiftly and fairly, with no retaliation taken against whistleblowers.

Governor Dayton has proclaimed the week of November 13-19 as, "Fraud Awareness and Prevention Week in the State of Minnesota." This week is dedicated to raising awareness of the problems fraud causes, and educating employees about fraud prevention, detection, and reporting techniques. Senior leaders, supervisors and staff should look for opportunities to "get informed and get involved" in fraud awareness week activities, including participating in the various training events offered by your agency.

*Suggested Action Steps:* Fighting fraud is part of every state employee's job. There are some key things we all can do to help protect against fraud:

1. Increase your fraud knowledge. For more information, go to [mn.gov/nofraud](http://mn.gov/nofraud).
2. Learn your agency's fraud reporting channel(s).
3. Be alert for anything suspicious or irregular which could be red flags (i.e., warnings) that something fraudulent is taking place.
4. If you see or suspect fraud, or identify internal control weaknesses that might provide the opportunity for fraud, report it through your agency's designated reporting channels.

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