Person 2: Preventing and detecting fraud, waste and abuse of public resources is the job of the Massachusetts Office of the Inspector General, but we can't do it alone. Everyone has a role to play in the prevention of fraudulent use of public resources!

Person 1: What is Fraud?

Person 2: Fraud is the intentional act to deprive another of property or money by deception or unfair means. Like using an agency credit card to pay for personal items, submitting a fraudulent expense report or time sheet, awarding a contract to a vendor with the expectation of a payment or a kickback, or using a public resource for private benefit.

Person 1: What can I do about it?

Person 2: To start considering conducting fraud awareness training for employees. According to the Association of Certified Fraud Examiners' Report to the Nations, employees whose organizations provided fraud awareness training were MORE THAN 2 times as likely to submit a tip that resulted in the detection of fraud. And 71% employee whistleblowers had fraud awareness training. The more you know about what fraud looks like, the more likely you are to report it.

Person 1: What does fraud look like?

Person 2: 75% of fraudsters displayed at least one of the following behavioral clues

- Living beyond means
- Sudden financial difficulties
- Unusually close association with vendor/customer
- Control issues, unwillingness to share duties

Let's look at a couple of hypothetical examples. As the parks and rec director, Ellen is authorized to use the town's credit card to purchase equipment. Since there are no internal controls to check her purchases or document the inventory of recreational equipment, no one realizes that she has been purchasing equipment for her personal fitness business using the town's account and selling town-purchased equipment online and keeping the proceeds for herself. That explains how she can afford designer clothing and expensive vacations.

As the long-time town treasurer, Tim handles all the financial transactions for the town, reviews the statements and reconciles the accounts. Shortly after he and his wife got divorced, Tim became more guarded at work, which his co-workers assumed had to do with his personal problems. When the holidays rolled around, the town manager encouraged Tim to take some time off and offered to have someone handle his responsibilities while he was out. Tim refused and grew defensive, accusing the town manager of trying to get rid of him.

Person 1: But why do people commit fraud?

Person 2: Criminologist Donald Cressey developed the Fraud Triangle to explain why people commit fraud. The three elements are Pressure, Opportunity and Rationalization. Pressure is the why. Financial

stress, like Tim's divorce and Ellen's desire for expensive clothing. Personal problems such as substance use disorder or gambling debts also cause pressure. Opportunity is how. Weak internal controls, such as not maintaining an inventory of equipment or separating duties involving finances, allow fraud to occur. When people realize that no one is looking, they see an opportunity. Rationalization facilitates fraud. Thoughts like, "I'll pay the money back," or "They don't pay me enough," allow the fraudster to justify their behavior.

Person 1: What are some ways to raise awareness of fraud?

Person 2: I'm so glad you asked! In Massachusetts, we a fortunate to have a statewide office of the inspector general. We offer training, videos, and flyers that can be used at no cost to help public employees understand fraud and how to prevent it. Visit our website at maoig dot gov and click on fraud prevention to access our resources. And, of course, if you suspect that public resources are being used fraudulently, PLEASE contact our confidential fraud hotline at 1-800-322-1323. You can also send us an email at IGO-FightFraud.gov or go to our website and click the yellow REPORT FRAUD button.

We all have a duty to be a fraud fighter!