Fraud Detection Case Report

Analysis Based on Provided Employee Record Evidence

# Case Summary

The provided evidence consists of incomplete and duplicated employee records for Sarah Lee, identified as Employee ID: EMP1236. The records include placeholders for the date of hire, department, and position, and note the absence of a valid ID scan. The status is listed as "Active (per records)" in both instances. These irregularities suggest potential anomalies in HR documentation or the onboarding process, prompting further investigation by the fraud detection AI.

# Actors Involved

* Sarah Lee – Employee associated with the provided records (Employee ID: EMP1236).
* HR/Records Department – The entity responsible for maintaining employee records and verifying employment documentation.
* Fraud Detection AI – The automated system reviewing records for signs of inconsistency or fraud.

# Visual Timeline of Events

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| --- | --- | --- |
| Step | Event | Notes |
| 1 | Employee Record Created | Date of hire not entered; placeholders remain. |
| 2 | ID Scan Attempted | No ID image present in both instances of the record. |
| 3 | Record Status Updated | Status set to "Active (per records)" without completed fields. |
| 4 | Duplicate Entries Detected | Same information appears twice, indicating possible manual or system error. |

# Risk Explanation

The lack of essential details (date of hire, department, position) and the absence of a valid ID scan in Sarah Lee's employee file present clear risks, including:

* Potential Identity Fraud: The lack of identification documentation increases the possibility that the individual has not been properly verified, or that the record has been created fraudulently.
* Onboarding Process Failure: Missing critical employment information may point to weaknesses in onboarding controls, making the organization vulnerable to unauthorized access or payroll fraud.
* Record Duplication: The duplicate entries could suggest attempts to obfuscate activity, introduce fictitious employees, or result from process gaps that fraudsters could exploit.
* Audit and Compliance Risk: Incomplete personnel records may lead to non-compliance with labor regulations and complicate internal or external audits.

In summary, these anomalies should trigger further review and verification processes to ensure the validity of the employee's status and to mitigate potential risks.