

FORMER EMPLOYEE LINKED TO FRAUDULENT INVOICES

INVESTIGATION REVEALS A FRAUDULENT BILLING SCHEME

A health care company based in New Jersey retained Gryphon to investigate a former employee who was suspected of fraud. While he worked for our client, the employee in question approved dozens of invoices from a single vendor for supplies totaling more than \$500,000. No record was available, however, to show that our client had ever received the invoiced goods.

Gryphon reviewed the invoices, completed a comprehensive background check on the former employee and investigated the suspicious vendor.

An examination of the invoices disclosed numerous discrepancies indicative of fraud. For instance, the invoice numbers as provided by the vendor did not adhere to a coherent sequential order. Business records disclosed that the vendor had been established just a few days before submitting its first invoice to our client. Moreover, Gryphon was able to link the employee in question to the vendor through various addresses.

Gryphon's background investigation into the former employee revealed that he had previously undisclosed familial ties to an individual working in the client's accounts payable department who had helped to facilitate payment to the vendor.

Following Gryphon's investigation, our client notified the police and the former employee was arrested. Our client also pursued a successful civil lawsuit against the former employee, ultimately resulting in full recovery.

As a follow-up service to this investigation, Gryphon provided consultation to the client in implementing various internal controls, including checks and balances in the company's procurement, receiving and payables functions, as well as background checks for all new hires.

GRYPHON'S INVESTIGATION LEADS TO CRIMINAL PROSECUTION AND CIVIL RECOVERY

Gryphon conducted an investigation into a client's employee who was suspected of fraud. Our investigation disclosed the employee approved phony invoices to a vendor connected to the employee in excess of \$500,000. Gryphon's client was able to recover the funds and the matter was referred for criminal prosecution.