

## General Red Flags

- Employee lifestyle changes: expensive cars, jewelry, homes, boats
- Significant personal debt and credit problems
- Refusal to take vacation or sick leave
- Poorly defined duties without adequate monitoring
- Behavioral changes that may indicate substance abuse or gambling problems, or just fear of losing job
- High employee turnover, especially in areas more vulnerable to fraud
- Reluctance to provide information to investigators
- Management decisions dominated by an individual or small group
- Disrespect for regulatory bodies
- Excessive or unauthorized voided receipts
- Lax or inexperienced accounting personnel
- Inordinant number of manual checks
- Excessive number of checking accounts
- Frequent changes in banking accounts
- Frequent changes in external auditors
- Under-market-value sales of company assets
- Significant downsizing in a healthy market
- Continuous rollover of loans
- Excessive number of year-end transactions
- Unsupported transactions or adjusted journal entries
- Unexpected overdrafts or declines in cash balances
- Any financial transaction that doesn't make
- Service contracts for which there is no product
- Photocopied or missing documents
- Altered records
- Refusal by company to use serial-numbered documents
- Compensation program that is out of proportion