

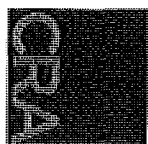
# MAINE STATE LEGISLATURE

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November 18, 2013

By Email: [douglas.e.cotnoir@maine.gov](mailto:douglas.e.cotnoir@maine.gov)

Mr. Douglas Cotnoir, CPA, CIA  
Deputy State Controller  
Office of the State Controller  
14 State House Station  
Augusta, ME 04333-0014

RE: VS0000015056/Contract #20120717\*272

Dear Doug,

Attached is a summary findings report regarding the accounts payable review of the Overpayment Recovery Audit completed by our subcontractor, APR, under the Agreement to Purchase Services, between the State of Maine and our firm, dated July 16, 2012, as amended on April 22, 2013.

The findings involved a very small recovery, which indicates that the State's accounts payable controls are working as designed and that we do not have improvements or control corrections to suggest in that regard. Having said that, the summary findings report includes some general accounts payable best practice measures for your review, although we recognize that most, if not all, likely are being utilized effectively given the minimal review findings.

Feel free to contact me with any questions. Thank you very much.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Sherri', written in dark ink on a white background.

Sherri L. Ledner

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## Audit Summary By Type: StateofMaine12

Item	Vendor Name	Vendor ID	Date	Description	Ref Dte	Claim Amount
CRRT	CONSOLIDATED ELECTRICAL DISTRI	VC1000033049	5/7/2013	Credit issued against invoice 4997-496610 paid on check 3533402. Original credit amount was \$167.29 but part applied to past due debits so net remaining open is \$153.79. Verification, data cut and credit copy provided.	11/17/2009	\$153.79
CRRT	CONSOLIDATED ELECTRICAL DISTRI	VC1000033049	5/7/2013	Credit issued against invoice 5965-580124 paid on EFT 201103171941577. Verification, data cut and credit copy provided.	3/9/2011	\$60.60
CRRT	HAMMOND LUMBER CO	VC1000034540	4/28/2013	Credit memo 90100937 open on account for 11.86 for order number 90103568. Original amount of credit was 12.48 but 0.62 was applied to open balance. Credit is on account to use against open invoices. See attached confirmation. No data cut available.	6/24/2011	\$11.86
CRRT	HAMMOND LUMBER CO	VC1000034540	4/28/2013	Open credit memo number 50498973 for 71.48 for returns on order number 50493633. Credit is open on account to use against open invoices. See attached confirmation and data cut.	12/24/2011	\$71.48
CRRT	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 14: Misc Old credits carried over from an old system. Vendor created a credit memo dated July 5, 2012 which is outside of the scope of the audit but the actual dates of the credits are all prior to June 30, 2012. No backup or details due to age. Verification and credit copy provided.	6/30/2012	\$1,016.33
CRRT	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 5: Credit issued against invoice 6140431 10140951 paid on check 1620203081. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	11/15/2010	\$60.55
CRRT	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 6: Credit issued against invoice 10280825 paid on check 1620203118. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	11/15/2010	\$15.92
CRRT	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 9: Credit issued against invoice 108279115 paid on check 6340366. Verification, credit copy and data cut provided.	9/30/2011	\$60.09
CRRT	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 10: Credit issued against invoice 109081022 paid on check 1620203573. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	10/14/2011	\$89.76
CRRT	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 1: Credit issued against invoice 6140431 paid on check 1620202886. Verification and credit copy provided.	7/15/2010	\$19.61

				No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.		
CRRT	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 2: Credit issued against invoice 7120527 paid on check 1620202938. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	8/15/2010	\$92.74
CRRT	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 4: Credit issued against invoice 10071027 paid on check 1620203069. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	11/15/2010	\$183.47
CRRT	TRANE U.S., INC..	VC1000002971	6/18/2013	ROW 1: Open credit memo 11300798 dated 10/27/10 for returns on invoice 11060908 dated 9/2/10 paid on check 5209775 dated 10/7/10. Vendor is sending refund for open credit balances totaling 889.33. See attached confirmation, data cut and credit memo.	10/27/2010	\$613.02
CRRT	TRANE U.S., INC..	VC1000002971	6/18/2013	ROW 4: Open credit memo number 21278392 for returns on invoice number 21208273 dated 10/7/11 paid in full on check number 201111042291509 dated 11/4/11. Vendor is sending refund for open credit balances totaling 889.33. See attached confirmation, data cut and credit memo.	10/26/2011	\$17.00
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order S005312965 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	5/4/2012	\$488.30
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 13530944 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction; however, the amount remaining is less than what is indicated on the credit memo, as a portion has already been applied. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/25/2011	\$268.65
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 791339000 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	2/18/2011	\$148.15
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 226360001 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	7/1/2011	\$249.99
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 737726003 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	2/3/2012	\$258.25

CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 677564000 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	1/12/2011	\$146.00
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order/Invoice W75794000 dated 8/20/10 was paid via check 5105195 dated 9/10/10; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/4/2011	\$755.40
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 345810001 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	3/15/2012	\$651.08
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order SMM406001 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	1/12/2011	\$165.40
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order S005191189 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/28/2012	\$384.82
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 654918002 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	2/3/2012	\$172.00
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 838735000/Invoice 838735-000 dated 6/1/11 was paid via check 6105057 dated 6/25/11; however, product was returned. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction; however, the amount remaining is less than what is indicated on the credit memo, as a portion has already been applied. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	6/8/2011	\$154.56
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order W09209000 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction; however, the amount remaining is less than what is indicated on the credit memo, as a portion has already been applied. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	9/26/2011	\$126.38
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 13202071/Invoice 202071-000 dated 2/11/11 was paid via check 5726643 dated 3/11/11 ; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	3/31/2011	\$269.98

CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order/Invoice 567710000 dated 4/13/11 was paid via check 5926166 dated 4/29/11; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/27/2011	\$160.95
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 15017853/ Invoice W17853 dated 4/11/12 was paid via check 7040950 dated 4/20/12; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/17/2012	\$128.76
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 12026542 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	10/14/2010	\$368.40
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order SMD874000 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/11/2012	\$149.18
CRRT	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order S005190808 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/30/2012	\$199.50
CRRT	W W GRAINGER INC.	VC1000094971	4/17/2013	Invoice 9798931300 dated 4/10/12 was paid via EFT 201204272565085 dated 4/27/12; however product was returned as detailed in Credit Memo 9809419105 dated 4/23/12. Vendor has confirmed via e-mail dated 4/4/13 that credit is available for deduction. Credit Verification form, e-mail confirmation, AP transaction detail, and copy of credit memo is provided.	4/23/2012	\$14.82
CRRT	W W GRAINGER INC.	VC1000094971	4/17/2013	Invoice 9845348995 dated 6/5/12 was paid via EFT 201206152642505 dated 6/15/12; however product was defective and returned as detailed in Credit Memo 9851852583 dated 6/13/12. Vendor has confirmed via e-mail dated 4/4/13 that credit is available for deduction. Credit Verification form, e-mail confirmation, AP transaction detail, and copy of credit memo is provided.	6/13/2012	\$207.68
CRRT						\$7,934.47
DNT	DAIGLE OIL CO	VC1000019611	4/24/2013	Open credit on account for discount not taken on invoice number 77076 dated 9/6/11, invoice was paid in the amount of 2578.55 on EFT dated 9/23/11. Vendor is sending a refund for the overpayment of 124.22 on account. See attached confirmation and data cut.	10/21/2011	\$99.40
DNT						\$99.40
DUPDV	COMMUNICATION TECHNOLOGIES	VC1000017758	6/26/2013	Duplicate payment of invoices 41135, 41136, 41138 &	7/28/2010	\$2,055.99

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41139 on check 201007241593321 and by credit card. Total overpayment was \$3,055.99. Per the State's instruction \$1,000.00 of this overpayment was applied to invoice 54486 so credit balance of \$2,055.99 remains. Verification and data cut provided.

DUPDV	CONSOLIDATED ELECTRICAL DISTRI	VC1000033049	5/7/2013	Duplicate payment with Mastercard and EFT 201109092204449. Verification, data cut and invoice copy provided.	9/14/2011	\$362.43
DUPDV	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 7: Duplicate payment of invoice 102199034 on checks 6001034 and 1620203339. Verification and data cut provided. No data cut available for check 1620203339 because check issued by Maine Department of Corrections and these checks are not in our data.	5/24/2011	\$522.30
DUPDV	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 8: Duplicate payment of invoice 103319011 on checks 6001034 and 1620203339. Verification and data cut provided. No data cut available for check 1620203339 because check issued by Maine Department of Corrections and these checks are not in our data.	5/24/2011	\$520.22
DUPDV	YSI INC.	VC1000097655	4/24/2013	Invoice 482097 dated 3/8/12 was paid via EFT 201203162498954 dated 3/16/12 under vendor ID VC1000097526 (Yellow Springs Instrument Inc) and again via check 7113328 dated 5/11/12 under vendor ID VC1000097655 (YSI Inc). Vendor has confirmed via e-mail dated 4/12/13 that credit will be refunded. Refund verification form, e-mail confirmation and AP transaction detail is provided.	5/11/2012	\$1,974.40

<b>DUPDV</b>						<b>\$5,435.34</b>
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DUPSV	BEAUREGARD EQUIPMENT INC.	VC1000007906	4/24/2013	Duplicate payment of invoice IB12614 for \$859.16 on EFT payments 200906261005348 and 200906261005672. Invoice date keyed once as 6/25/09 and once as 6/26/09. Vendor partially applied \$310.50 to open invoices in July 2009. Due to age of transactions, no further details are available but the vendor has confirmed that the remaining credit balance of \$548.66 can be deducted from a future payment. Verification and data cut provided.	6/26/2009	\$548.66
DUPSV	PROJECT STAFFING INC.	VC1000073912	5/10/2013	Duplicate payment of invoice 59801 dated 4/2/12 for 541.20. Initially keyed as invoice 00000059801 and paid via EFT 201204132543256 dated 4/13/12. Also keyed as invoice 0000059801 and paid via EFT 201204202554650 dated 4/20/12. Vendor applied 100.00 to invoice 59847 and 0.01 to invoice 59887 for short payments on EFT 201204202554650, leaving an open credit balance of 441.19. Vendor confirmed via e-mail dated 5/7/13 that credit is available for deduction. Credit verification form, e-mail confirmation, AP transaction detail, and copy of overpayment details is provided.	4/20/2012	\$441.19

DUPSV	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order SLW449000 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	11/26/2010	\$240.07
DUPSV	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 877366000 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	8/9/2011	\$150.24
DUPSV	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 166719000 was paid twice.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	10/12/2011	\$499.58
DUPSV	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 572664000 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	3/24/2011	\$238.29
DUPSV	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 8732OA000 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	6/9/2011	\$275.76
DUPSV	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 528939001 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	12/7/2011	\$179.56
DUPSV	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 528925001 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	12/7/2011	\$285.00
DUPSV	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 12981661 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	11/25/2011	\$371.51
DUPSV	W B MASON CO INC	VC1000094897	5/13/2013	Sales Order 14516427 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	11/25/2011	\$131.10

<b>DUPSV</b>						<b>\$3,360.96</b>
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ICP	COMMUNICATION TECHNOLOGIES INC	VC1000017758	6/26/2013	Invoice 46539 paid on check 201109022197515 but had already been cleared with credit RTN01067. Verification and data cut provided.	9/8/2011	\$36.00
ICP	COMMUNICATION TECHNOLOGIES INC	VC1000017758	6/26/2013	Invoice 48517 paid on check 201112232367867 but had already been cleared with credit RTN01067. Verification and data cut provided.	12/29/2011	\$129.50
ICP	COMMUNICATION TECHNOLOGIES	VC1000017758	6/26/2013	Invoice 27192 for \$740.00 paid on check 20080812053771	8/15/2008	\$630.50



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but had already been cleared with credit RTN00578. \$9.50 of this payment was applied to invoice 35118 and \$100 was applied to invoice 35521 leaving an open balance of \$630.50. Verification provided. No data cut available because remittance provided to the vendor does not match the remittance in our data.

ICP	HAMMOND LUMBER CO	VC1000034540	4/28/2013	Open credit on account for invoice 90104712 dated 7/1/11. Invoice cancelled but subsequently paid on EFT dated 8/26/11. Credit is on account to use against open invoices. See attached confirmation and data cut.	9/6/2011	\$48.36
ICP	HAMMOND LUMBER CO	VC1000034540	4/28/2013	Open credit on account for invoice 50497392 dated 11/30/11. Invoice cancelled but subsequently paid on EFT dated 1/6/12. Credit is on account to use against open invoices. See attached confirmation and data cut.	1/16/2012	\$167.56
ICP	HAMMOND LUMBER CO	VC1000034540	4/28/2013	Open credit on account for invoice 50490256 dated 9/15/11. Invoice cancelled but subsequently paid on EFT dated 10/14/11. Credit is on account to use against open invoices. See attached confirmation and data cut.	10/20/2011	\$34.60
ICP	TRANE U.S., INC..	VC1000002971	6/18/2013	ROW 2: Invoice number 2183990 for 79.31 dated 2/18/11 was paid on check number 201103041922466 dated 3/4/11 but invoice was canceled. Vendor is sending refund for open credit balances totaling 889.33. See attached confirmation and data cut.	11/9/2011	\$79.31
ICP	TRANE U.S., INC..	VC1000002971	6/18/2013	ROW 3: Invoice number 2206612 for 180.00 dated 2/24/11 was paid on check number 201103111932535 3/11/11 but invoice was canceled. Vendor is sending refund for open credit balances totaling 889.33. See attached confirmation and data cut.	3/16/2011	\$180.00
ICP	W W GRAINGER INC.	VC1000094971	4/17/2013	Invoice 9786280868 dated 3/23/12 was paid via EFT 20124132543545 dated 4/13/12; however this invoice was cancelled. . Vendor has confirmed via e-mail dated 4/4/13 that credit is available for deduction. Credit Verification form, e-mail confirmation, AP transaction detail is provided.	4/19/2012	\$742.22

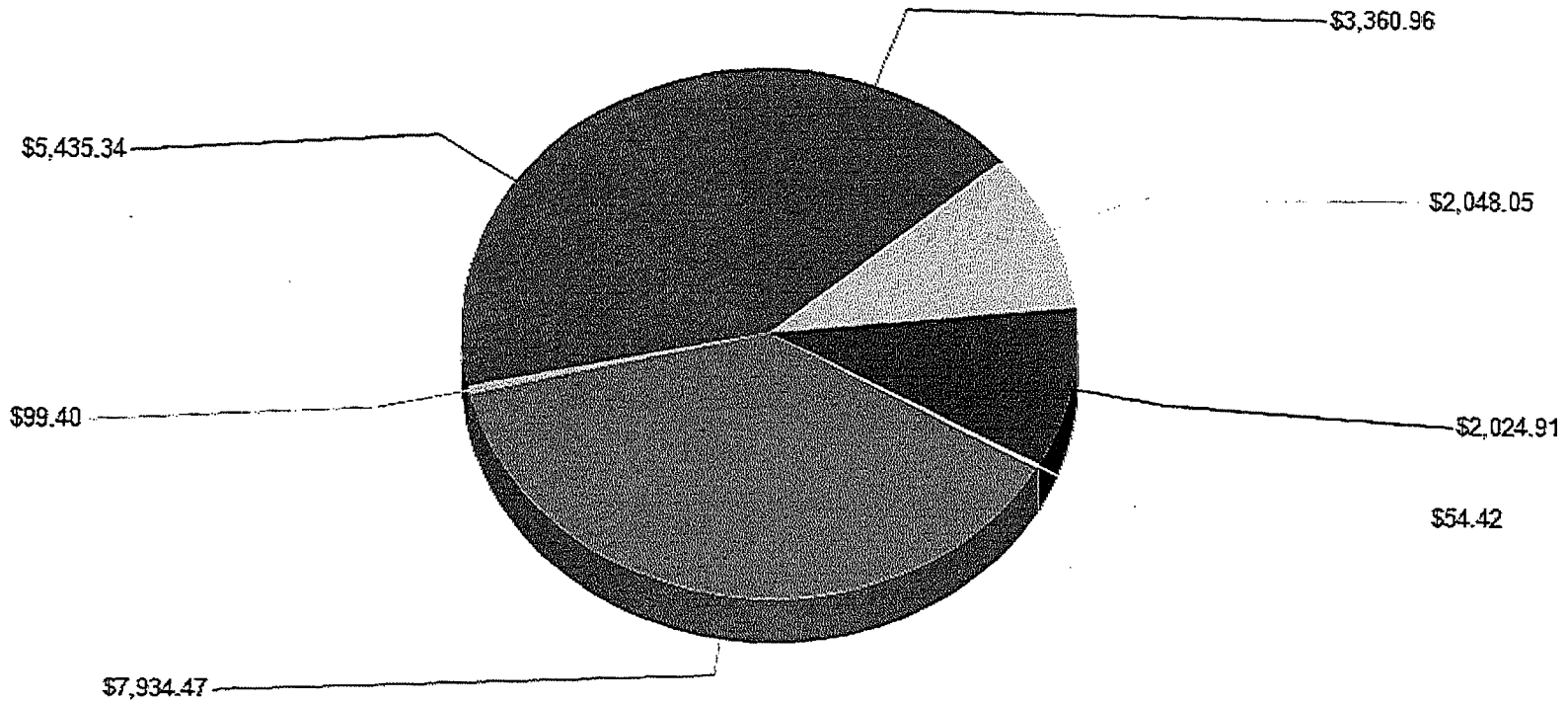
ICP						\$2,048.05
OVPI	Comdata.	VC0000124444	6/26/2013	Overpayment of 6/30/11 invoice on wire dated 9/17/11. Invoice had already been paid on wire dated 7/22/11. Verification and data cuts provided. No invoice copies available due to age.	9/20/2011	\$1,127.95
OVPI	Comdata.	VC0000124444	6/26/2013	Overpayment of 9/15/09 and 9/30/09 invoices on check 3739332. Verification and data cuts provided. No invoice copies available due to age.	12/3/2009	\$313.95
OVPI	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 11: Duplicate payment of invoice 108110369 on checks 6448978 and 1620203169. Invoice total was \$420.00 and entire invoice was paid twice but in 2 partial payments so 2 separate credits for \$297.50 and \$122.50 are	10/13/2011	\$297.50

showing in Sysco system. This is the first of the 2 claims. Verification and data cut provided. No data cut available for check 1620203169 because check issued by Maine Department of Corrections and these checks are not in our data.

OVPI	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 12: Duplicate payment of invoice 108110369 on checks 6448978 and 1620203169. Invoice total was \$420.00 and entire invoice was paid twice but in 2 partial payments so 2 separate credits for \$297.50 and \$122.50 are showing in Sysco system. This is the second of the 2 claims. Verification and data cut provided. No data cut available for check 1620203169 because check issued by Maine Department of Corrections and these checks are not in our data.	10/26/2011	\$122.50
OVPI	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 13: Overpayment of invoice 112290810 on checks 1620203725 and 1620203731. Total of \$556.14 was paid but invoice amount was only \$407.30. Verification and invoice copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	2/3/2011	\$148.84
OVPI	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 3: Overpayment of invoice 7190470 on checks 1620202914 and 1620202937. Total of \$774.11 was paid but invoice amount was only \$759.94. Verification and invoice copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	8/15/2010	\$14.17
OVPI						\$2,024.91
VOLRBT	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	7/1/2013	ROW 16: Volume rebate issued back in 2007 but never used. No credit copy available due to age but e-mail with explanation provided. Verification also provided. No data cut available because not issued against a particular invoice.	6/14/2007	\$54.42
VOLRBT						\$54.42
						\$20,957.55

## Claim Amount By Type

CRRT
  DNT
  DUPDV
  DUPSV
  ICP
  OVPI
  VOLRET



## Audit Summary By Name: StateofMaine12

Date	Vendor Name	Vendor ID	Item	Description	Ref Dte	Claim Amount
4/24/2013	BEAUREGARD EQUIPMENT INC.	VC100007906	DUPSV	Duplicate payment of invoice IB12614 for \$859.16 on EFT payments 200906261005348 and 200906261005672. Invoice date keyed once as 6/25/09 and once as 6/26/09. Vendor partially applied \$310.50 to open invoices in July 2009. Due to age of transactions, no further details are available but the vendor has confirmed that the remaining credit balance of \$548.66 can be deducted from a future payment. Verification and data cut provided.	6/26/2009	\$548.66
	BEAUREGARD EQUIPMENT INC.					\$548.66
6/26/2013	Comdata.	VC0000124444	OVPI	Overpayment of 6/30/11 invoice on wire dated 9/17/11. Invoice had already been paid on wire dated 7/22/11. Verification and data cuts provided. No invoice copies available due to age.	9/20/2011	\$1,127.95
6/26/2013	Comdata.	VC0000124444	OVPI	Overpayment of 9/15/09 and 9/30/09 invoices on check 3739332. Verification and data cuts provided. No invoice copies available due to age.	12/3/2009	\$313.95
	Comdata.					\$1,441.90
6/26/2013	COMMUNICATION TECHNOLOGIES INC	VC1000017758	ICP	Invoice 27192 for \$740.00 paid on check 20080812053771 but had already been cleared with credit RTN00578. \$9.50 of this payment was applied to invoice 35118 and \$100 was applied to invoice 35521 leaving an open balance of \$630.50. Verification provided. No data cut available because remittance provided to the vendor does not match the remittance in our data.	8/15/2008	\$630.50
6/26/2013	COMMUNICATION TECHNOLOGIES INC	VC1000017758	DUPDV	Duplicate payment of invoices 41135, 41136, 41138 & 41139 on check 201007241593321 and by credit card. Total overpayment was \$3,055.99. Per the State's instruction \$1,000.00 of this overpayment was applied to invoice 54486 so credit balance of \$2,055.99 remains. Verification and data cut provided.	7/28/2010	\$2,055.99
6/26/2013	COMMUNICATION TECHNOLOGIES INC	VC1000017758	ICP	Invoice 46539 paid on check 201109022197515 but had already been cleared with credit RTN01067. Verification and data cut provided.	9/8/2011	\$36.00
6/26/2013	COMMUNICATION TECHNOLOGIES INC	VC1000017758	ICP	Invoice 48517 paid on check 201112232367867 but had already been cleared with credit RTN01067. Verification and data cut provided.	12/29/2011	\$129.50
	COMMUNICATION TECHNOLOGIES INC					\$2,851.99
5/7/2013	CONSOLIDATED ELECTRICAL DISTRI	VC1000033049	DUPDV	Duplicate payment with Mastercard and EFT 201109092204449. Verification, data cut and invoice copy provided.	9/14/2011	\$362.43

5/7/2013	CONSOLIDATED ELECTRICAL DISTR	VC1000033049	CRRT	Credit issued against invoice 5965-580124 paid on EFT 201103171941577. Verification, data cut and credit copy provided.	3/9/2011	\$60.60
5/7/2013	CONSOLIDATED ELECTRICAL DISTR	VC1000033049	CRRT	Credit issued against invoice 4997-496610 paid on check 3533402. Original credit amount was \$167.29 but part applied to past due debits so net remaining open is \$153.79. Verification, data cut and credit copy provided.	11/17/2009	\$153.79
	<b>CONSOLIDATED ELECTRICAL DISTR</b>					<b>\$576.82</b>
4/24/2013	DAIGLE OIL CO	VC1000019611	DNT	Open credit on account for discount not taken on invoice number 77076 dated 9/6/11, invoice was paid in the amount of 2578.55 on EFT dated 9/23/11. Vendor is sending a refund for the overpayment of 124.22 on account. See attached confirmation and data cut.	10/21/2011	\$99.40
	<b>DAIGLE OIL CO</b>					<b>\$99.40</b>
4/28/2013	HAMMOND LUMBER CO	VC1000034540	ICP	Open credit on account for invoice 90104712 dated 7/1/11. Invoice cancelled but subsequently paid on EFT dated 8/26/11. Credit is on account to use against open invoices. See attached confirmation and data cut.	9/6/2011	\$48.36
4/28/2013	HAMMOND LUMBER CO	VC1000034540	ICP	Open credit on account for invoice 50497392 dated 11/30/11. Invoice cancelled but subsequently paid on EFT dated 1/6/12. Credit is on account to use against open invoices. See attached confirmation and data cut.	1/16/2012	\$167.56
4/28/2013	HAMMOND LUMBER CO	VC1000034540	ICP	Open credit on account for invoice 50490256 dated 9/15/11. Invoice cancelled but subsequently paid on EFT dated 10/14/11. Credit is on account to use against open invoices. See attached confirmation and data cut.	10/20/2011	\$34.60
4/28/2013	HAMMOND LUMBER CO	VC1000034540	CRRT	Open credit memo number 50498973 for 71.48 for returns on order number 50493633. Credit is open on account to use against open invoices. See attached confirmation and data cut.	12/24/2011	\$71.48
4/28/2013	HAMMOND LUMBER CO	VC1000034540	CRRT	Credit memo 90100937 open on account for 11.86 for order number 90103568. Original amount of credit was 12.48 but 0.62 was applied to open balance. Credit is on account to use against open invoices. See attached confirmation. No data cut available.	6/24/2011	\$11.86
	<b>HAMMOND LUMBER CO</b>					<b>\$333.86</b>
5/10/2013	PROJECT STAFFING INC.	VC1000073912	DUPSV	Duplicate payment of invoice 59801 dated 4/2/12 for 541.20. Initially keyed as invoice 00000059801 and paid via EFT 201204132543256 dated 4/13/12. Also keyed as invoice 0000059801 and paid via EFT 201204202554650 dated 4/20/12. Vendor applied 100.00 to invoice 59847 and 0.01 to invoice 59887 for short payments on EFT 201204202554650, leaving an open credit balance of 441.19. Vendor confirmed via e-mail dated 5/7/13 that credit	4/20/2012	\$441.19

is available for deduction. Credit verification form, e-mail confirmation, AP transaction detail, and copy of overpayment details is provided.

PROJECT STAFFING INC.						\$441.19
7/1/2013	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	CRRT	ROW 4: Credit issued against invoice 10071027 paid on check 1620203069. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	11/15/2010	\$183.47
7/1/2013	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	CRRT	ROW 1: Credit issued against invoice 6140431 paid on check 1620202886. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	7/15/2010	\$19.61
7/1/2013	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	CRRT	ROW 6: Credit issued against invoice 10280825 paid on check 1620203118. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	11/15/2010	\$15.92
7/1/2013	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	CRRT	ROW 10: Credit issued against invoice 109081022 paid on check 1620203573. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	10/14/2011	\$89.76
7/1/2013	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	OVPI	ROW 11: Duplicate payment of invoice 108110369 on checks 6448978 and 1620203169. Invoice total was \$420.00 and entire invoice was paid twice but in 2 partial payments so 2 separate credits for \$297.50 and \$122.50 are showing in Sysco system. This is the first of the 2 claims. Verification and data cut provided. No data cut available for check 1620203169 because check issued by Maine Department of Corrections and these checks are not in our data.	10/13/2011	\$297.50
7/1/2013	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	OVPI	ROW 12: Duplicate payment of invoice 108110369 on checks 6448978 and 1620203169. Invoice total was \$420.00 and entire invoice was paid twice but in 2 partial payments so 2 separate credits for \$297.50 and \$122.50 are showing in Sysco system. This is the second of the 2 claims. Verification and data cut provided. No data cut available for check 1620203169 because check issued by Maine Department of Corrections and these checks are not in our data.	10/26/2011	\$122.50
7/1/2013	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	OVPI	ROW 13: Overpayment of invoice 112290810 on checks 1620203725 and 1620203731. Total of \$556.14 was paid but invoice amount was only \$407.30. Verification and invoice copy provided. No data cut available because check issued by Maine Department of Corrections and these	2/3/2011	\$148.84

checks are not in our data.

7/1/2013	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	DUPDV	ROW 8: Duplicate payment of invoice 103319011 on checks 6001034 and 1620203339. Verification and data cut provided. No data cut available for check 1620203339 because check issued by Maine Department of Corrections and these checks are not in our data.	5/24/2011	\$520.22
7/1/2013	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	CRRT	ROW 9: Credit issued against invoice 108279115 paid on check 6340366. Verification, credit copy and data cut provided.	9/30/2011	\$60.09
7/1/2013	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	VOLRBT	ROW 16: Volume rebate issued back in 2007 but never used. No credit copy available due to age but e-mail with explanation provided. Verification also provided. No data cut available because not issued against a particular invoice.	6/14/2007	\$54.42
7/1/2013	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	CRRT	ROW 14: Misc Old credits carried over from an old system. Vendor created a credit memo dated July 5, 2012 which is outside of the scope of the audit but the actual dates of the credits are all prior to June 30, 2012. No backup or details due to age. Verification and credit copy provided.	6/30/2012	\$1,016.33
7/1/2013	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	DUPDV	ROW 7: Duplicate payment of invoice 102199034 on checks 6001034 and 1620203339. Verification and data cut provided. No data cut available for check 1620203339 because check issued by Maine Department of Corrections and these checks are not in our data.	5/24/2011	\$522.30
7/1/2013	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	CRRT	ROW 5: Credit issued against invoice 6140431 10140951 paid on check 1620203081. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	11/15/2010	\$60.55
7/1/2013	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	CRRT	ROW 2: Credit issued against invoice 7120527 paid on check 1620202938. Verification and credit copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	8/15/2010	\$92.74
7/1/2013	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	OVPI	ROW 3: Overpayment of invoice 7190470 on checks 1620202914 and 1620202937. Total of \$774.11 was paid but invoice amount was only \$759.94. Verification and invoice copy provided. No data cut available because check issued by Maine Department of Corrections and these checks are not in our data.	8/15/2010	\$14.17

	SYSKO FOOD SERV OF NORTHERN NEW ENGLAND					\$3,218.42
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6/18/2013	TRANE U.S., INC..	VC1000002971	CRRT	ROW 4: Open credit memo number 21278392 for returns on invoice number 21208273 dated 10/7/11 paid in full on check number 201111042291509 dated 11/4/11. Vendor is sending refund for open credit balances totaling 889.33. See attached confirmation, data cut and credit memo.	10/26/2011	\$17.00
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6/18/2013 TRANE U.S., INC..	VC1000002971	CRRT	ROW 1: Open credit memo 11300798 dated 10/27/10 for returns on invoice 11060908 dated 9/2/10 paid on check 5209775 dated 10/7/10. Vendor is sending refund for open credit balances totaling 889.33. See attached confirmation, data cut and credit memo.	10/27/2010	\$613.02
6/18/2013 TRANE U.S., INC..	VC1000002971	ICP	ROW 2: Invoice number 2183990 for 79.31 dated 2/18/11 was paid on check number 201103041922466 dated 3/4/11 but invoice was canceled. Vendor is sending refund for open credit balances totaling 889.33. See attached confirmation and data cut.	11/9/2011	\$79.31
6/18/2013 TRANE U.S., INC..	VC1000002971	ICP	ROW 3: Invoice number 2206612 for 180.00 dated 2/24/11 was paid on check number 201103111932535 3/11/11 but invoice was canceled. Vendor is sending refund for open credit balances totaling 889.33. See attached confirmation and data cut.	3/16/2011	\$180.00

TRANE U.S., INC..					\$889.33
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5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 13530944 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction; however, the amount remaining is less than what is indicated on the credit memo, as a portion has already been applied. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/25/2011	\$268.65
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 791339000 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	2/18/2011	\$148.15
5/13/2013 W B MASON CO INC	VC1000094897	DUPSV	Sales Order SLW449000 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	11/26/2010	\$240.07
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order SMM406001 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	1/12/2011	\$165.40
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order/Invoice W75794000 dated 8/20/10 was paid via check 5105195 dated 9/10/10; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/4/2011	\$755.40
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 345810001 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	3/15/2012	\$651.08
5/13/2013 W B MASON CO INC	VC1000094897	DUPSV	Sales Order 877366000 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for	8/9/2011	\$150.24



			deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.		
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order S005312965 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	5/4/2012	\$488.30
5/13/2013 W B MASON CO INC	VC1000094897	DUPSV	Sales Order 87320A000 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	6/9/2011	\$275.76
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order S005191189 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/28/2012	\$384.82
5/13/2013 W B MASON CO INC	VC1000094897	DUPSV	Sales Order 528939001 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	12/7/2011	\$179.56
5/13/2013 W B MASON CO INC	VC1000094897	DUPSV	Sales Order 528925001 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	12/7/2011	\$285.00
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 654918002 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	2/3/2012	\$172.00
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 838735000/Invoice 838735-000 dated 6/1/11 was paid via check 6105057 dated 6/25/11; however, product was returned. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction; however, the amount remaining is less than what is indicated on the credit memo, as a portion has already been applied. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	6/8/2011	\$154.56
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order W09209000 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction; however, the amount remaining is less than what is indicated on the credit memo, as a portion has already been applied. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	9/26/2011	\$126.38
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 13202071/Invoice 202071-000 dated 2/11/11 was paid via check 5726643 dated 3/11/11; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	3/31/2011	\$269.98

5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order/Invoice 567710000 dated 4/13/11 was paid via check 5926166 dated 4/29/11; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/27/2011	\$160.95
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 15017853/ Invoice W17853 dated 4/11/12 was paid via check 7040950 dated 4/20/12; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/17/2012	\$128.76
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 12026542 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	10/14/2010	\$368.40
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order SMD874000 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/11/2012	\$149.18
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order S005190808 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	4/30/2012	\$199.50
5/13/2013 W B MASON CO INC	VC1000094897	DUPSV	Sales Order 12981661 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	11/25/2011	\$371.51
5/13/2013 W B MASON CO INC	VC1000094897	DUPSV	Sales Order 14516427 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	11/25/2011	\$131.10
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 677564000 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	1/12/2011	\$146.00
5/13/2013 W B MASON CO INC	VC1000094897	DUPSV	Sales Order 166719000 was paid twice.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	10/12/2011	\$499.58
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 226360001 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	7/1/2011	\$249.99
5/13/2013 W B MASON CO INC	VC1000094897	CRRT	Sales Order 737726003 was paid; however, product was returned.. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form,	2/3/2012	\$258.25

e-mail confirmation, and copy of credit memo is provided.

5/13/2013 W B MASON CO INC	VC1000094897	DUPSV	Sales Order 572664000 was paid twice. Vendor has confirmed via e-mail dated 5/08/13 that credit is available for deduction. Credit verification form, e-mail confirmation, and copy of credit memo is provided.	3/24/2011	\$238.29
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<b>W B MASON CO INC</b>					<b>\$7,616.86</b>
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4/17/2013 W W GRAINGER INC.	VC1000094971	ICP	Invoice 9786280868 dated 3/23/12 was paid via EFT 20124132543545 dated 4/13/12; however this invoice was cancelled. . Vendor has confirmed via e-mail dated 4/4/13 that credit is available for deduction. Credit Verification form, e-mail confirmation, AP transaction detail is provided.	4/19/2012	\$742.22
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4/17/2013 W W GRAINGER INC.	VC1000094971	CRRT	Invoice 9798931300 dated 4/10/12 was paid via EFT 201204272565085 dated 4/27/12; however product was returned as detailed in Credit Memo 9809419105 dated 4/23/12. Vendor has confirmed via e-mail dated 4/4/13 that credit is available for deduction. Credit Verification form, e-mail confirmation, AP transaction detail, and copy of credit memo is provided.	4/23/2012	\$14.82
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4/17/2013 W W GRAINGER INC.	VC1000094971	CRRT	Invoice 9845348995 dated 6/5/12 was paid via EFT 201206152642505 dated 6/15/12; however product was defective and returned as detailed in Credit Memo 9851852583 dated 6/13/12. Vendor has confirmed via e-mail dated 4/4/13 that credit is available for deduction. Credit Verification form, e-mail confirmation, AP transaction detail, and copy of credit memo is provided.	6/13/2012	\$207.68
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<b>W W GRAINGER INC.</b>					<b>\$964.72</b>
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4/24/2013 YSI INC.	VC1000097655	DUPDV	Invoice 482097 dated 3/8/12 was paid via EFT 201203162498954 dated 3/16/12 under vendor ID VC1000097526 (Yellow Springs Instrument Inc) and again via check 7113328 dated 5/11/12 under vendor ID VC1000097655 (YSI Inc). Vendor has confirmed via e-mail dated 4/12/13 that credit will be refunded. Refund verification form, e-mail confirmation and AP transaction detail is provided.	5/11/2012	\$1,974.40
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<b>YSI INC</b>					<b>\$1,974.40</b>
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					<b>\$20,957.55</b>
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## Summary by Vendor Totals



VendorName	ClaimTypes	ClaimCount	RecoveryAmt
W B MASON CO INC	2	28	\$7,616.86
SYSCO FOOD SERV OF NORTHERN NEW ENG...	4	15	\$3,218.42
COMMUNICATION TECHNOLOGIES INC	2	4	\$2,851.99
YSI INC.	1	1	\$1,974.40
Comdata.	1	2	\$1,441.90
W W GRAINGER INC.	2	3	\$984.72
TRANE U.S., INC..	2	4	\$889.33
CONSOLIDATED ELECTRICAL DISTRI	2	3	\$576.82
BEAUREGARD EQUIPMENT INC.	1	1	\$548.66
PROJECT STAFFING INC.	1	1	\$441.19
HAMMOND LUMBER CO	2	5	\$333.86
DAIGLE OIL CO	1	1	\$99.40

# Summary by Root Cause



Root Cause	VendorName	VenID	ClaimID	ClaimDesc	RecoveryAmt	Line Desc
Calculation Error	W W GRAINGER INC.	VC1000094971	1443-188-1	Credit For Returned Item Not Used	\$207.68	Invoice 9845348995 dated 6/5/12 was paid via EFT 201206152642...
			1443-188-2	Credit For Returned Item Not Used	\$14.82	Invoice 9798931300 dated 4/10/12 was paid via EFT 20120427256...
			1443-188-3	Invoice Cancelled But Paid To Supplier	\$742.22	Invoice 9786280868 dated 3/23/12 was paid via EFT 20124132543...
	Total				\$964.72	-
Keying Error	PROJECT STAFFING INC.	VC100007...	1443-188-5	Duplicate Payment Same Vendor ID	\$441.19	Duplicate payment of invoice 59801 dated 4/2/12 for 541.20. Initially...
			1443-18-10	Credit For Returned Item Not Used	\$60.55	ROW 5: Credit issued against invoice 6140431 10140951 paid on c...
	SYSCO FOOD SERV OF NORTHERN NEW ENGLAND	VC1000088492	1443-18-11	Credit For Returned Item Not Used	\$15.92	ROW 6: Credit issued against invoice 10280825 paid on check 162...
			1443-18-12	Duplicate Payment Different Vendor ID	\$522.30	ROW 7: Duplicate payment of invoice 102199034 on checks 60010...
			1443-18-13	Duplicate Payment Different Vendor ID	\$520.22	ROW 8: Duplicate payment of invoice 103319011 on checks 60010...
			1443-18-14	Credit For Returned Item Not Used	\$60.09	ROW 9: Credit issued against invoice 108279115 paid on check 63...
			1443-18-15	Credit For Returned Item Not Used	\$89.76	ROW 10: Credit issued against invoice 109081022 paid on check 1...
			1443-18-16	Overpayment On Invoice	\$297.50	ROW 11: Duplicate payment of invoice 108110369 on checks 6448...
			1443-18-17	Overpayment On Invoice	\$122.50	ROW 12: Duplicate payment of invoice 108110369 on checks 6448...
			1443-18-18	Overpayment On Invoice	\$148.84	ROW 13: Overpayment of invoice 112290810 on checks 16202037...
			1443-18-19	Credit For Returned Item Not Used	\$1,016.33	ROW 14: Misc Old credits carried over from an old system. Vendor ...
			1443-18-21	Volume Rebate Not Taken	\$54.42	ROW 16: Volume rebate issued back in 2007 but never used. No cr...
			1443-18-5	Credit For Returned Item Not Used	\$19.61	ROW 1: Credit issued against invoice 6140431 paid on check 1620...
			1443-18-7	Credit For Returned Item Not Used	\$92.74	ROW 2: Credit issued against invoice 7120527 paid on check 1620...
			1443-18-8	Overpayment On Invoice	\$14.17	ROW 3: Overpayment of invoice 7190470 on checks 1620202914 a...
			1443-18-9	Credit For Returned Item Not Used	\$183.47	ROW 4: Credit issued against invoice 10071027 paid on check 162...
	Total				\$3,659.61	-
Multiple Payment Sources	BEAUREGARD EQUIP...	VC100000...	1443-18-5	Duplicate Payment Same Vendor ID	\$548.66	Duplicate payment of invoice IB12614 for \$859.16 on EFT payments...
	Comdata.	VC0000124444	1443-18-22	Overpayment On Invoice	\$1,127.95	Overpayment of 6/30/11 invoice on wire dated 9/17/11. Invoice had...
			1443-18-23	Overpayment On Invoice	\$313.95	Overpayment of 9/15/09 and 9/30/09 invoices on check 3739332. ...
	COMMUNICATION TECHNOLOGIES INC	VC1000017758	1443-18-24	Invoice Cancelled But Paid To Supplier	\$630.50	Invoice 27192 for \$740.00 paid on check 20080812053771 but had a...
			1443-18-25	Duplicate Payment Different Vendor ID	\$2,055.99	Duplicate payment of invoices 41135, 41136, 41138 & 41139 on ch...
			1443-18-26	Invoice Cancelled But Paid To Supplier	\$36.00	Invoice 46539 paid on check 201109022197515 but had already be...
	CONSOLIDATED ELECTRICAL DISTRI	VC1000033049	1443-18-27	Invoice Cancelled But Paid To Supplier	\$129.50	Invoice 48517 paid on check 201112232367867 but had already be...
			1443-18-1	Credit For Returned Item Not Used	\$153.79	Credit issued against invoice 4997-496610 paid on check 3533402. ...
	YSI INC.	VC100009...	1443-18-2	Credit For Returned Item Not Used	\$60.60	Credit issued against invoice 5965-580124 paid on EFT 201103171...
			1443-18-3	Duplicate Payment Different Vendor ID	\$362.43	Duplicate payment with Mastercard and EFT 201109092204449. Ve...
Procedure Error	DAIGLE OIL CO	VC100001...	1443-188-4	Duplicate Payment Different Vendor ID	\$1,974.40	Invoice 482097 dated 3/8/12 was paid via EFT 201203162498954 d...
	Total				\$7,393.77	-
	HAMMOND LUMBER CO	VC1000034540	1443-98-6	Discount Not Taken	\$99.40	Open credit on account for discount not taken on invoice number 77...
			1443-98-1	Credit For Returned Item Not Used	\$11.86	Credit memo 90100937 open on account for 11.86 for order number...
			1443-98-2	Invoice Cancelled But Paid To Supplier	\$48.36	Open credit on account for invoice 90104712 dated 7/1/11. Invoice ...
			1443-98-3	Invoice Cancelled But Paid To Supplier	\$167.56	Open credit on account for invoice 50497392 dated 11/30/11. Invoice...
			1443-98-4	Invoice Cancelled But Paid To Supplier	\$34.60	Open credit on account for invoice 50490256 dated 9/15/11. Invoice...
	TRANE U.S., INC..	VC1000002971	1443-98-5	Credit For Returned Item Not Used	\$71.48	Open credit memo number 50498973 for 71.48 for returns on order ...
			1443-98-10	Credit For Returned Item Not Used	\$17.00	ROW 4: Open credit memo number 21278392 for returns on Invoice...
			1443-98-7	Credit For Returned Item Not Used	\$613.02	ROW 1: Open credit memo 11300798 dated 10/27/10 for returns on ...
			1443-98-8	Invoice Cancelled But Paid To Supplier	\$79.31	ROW 2: Invoice number 2183990 for 79.31 dated 2/18/11 was paid ...
			1443-98-9	Invoice Cancelled But Paid To Supplier	\$180.00	ROW 3: Invoice number 2206612 for 180.00 dated 2/24/11 was paid...
	W B MASON CO INC	VC1000094897	1443-188-10	Duplicate Payment Same Vendor ID	\$275.76	Sales Order 87320A000 was paid twice. Vendor has confirmed via ...
			1443-188-11	Credit For Returned Item Not Used	\$384.82	Sales Order S005191189 was paid; however, product was returned....
			1443-188-12	Duplicate Payment Same Vendor ID	\$179.56	Sales Order 528939001 was paid twice. Vendor has confirmed via e...
			1443-188-13	Duplicate Payment Same Vendor ID	\$285.00	Sales Order 528925001 was paid twice. Vendor has confirmed via e...
			1443-188-14	Credit For Returned Item Not Used	\$172.00	Sales Order 654918002 was paid; however, product was returned., ...
			1443-188-15	Credit For Returned Item Not Used	\$154.56	Sales Order 838735000/Invoice 838735-000 dated 6/1/11 was paid v...
			1443-188-16	Credit For Returned Item Not Used	\$126.38	Sales Order W09209000 was paid; however, product was returned....
			1443-188-17	Credit For Returned Item Not Used	\$269.98	Sales Order 13202071/Invoice 202071-000 dated 2/11/11 was paid v...
			1443-188-18	Credit For Returned Item Not Used	\$160.95	Sales Order/Invoice 567710000 dated 4/13/11 was paid via check 5...
			1443-188-19	Credit For Returned Item Not Used	\$128.76	Sales Order 15017853/ Invoice W17853 dated 4/11/12 was paid via ...
			1443-188-20	Credit For Returned Item Not Used	\$368.40	Sales Order 12026542 was paid; however, product was returned., V...
			1443-188-21	Credit For Returned Item Not Used	\$149.18	Sales Order SMD874000 was paid; however, product was returned....
			1443-188-22	Credit For Returned Item Not Used	\$199.50	Sales Order S005190808 was paid; however, product was returned....
			1443-188-23	Duplicate Payment Same Vendor ID	\$371.51	Sales Order 12981661 was paid twice. Vendor has confirmed via e...

Root Cause	VendorName	VenID	ClaimID	ClaimDesc	RecoveryAmt	Line Desc
Procedure Error	W B MASON CO INC	VC10000948 97	1443-188-24	Duplicate Payment Same Vendor ID	\$131.10	Sales Order 14516427 was paid twice. Vendor has confirmed via e...
			1443-188-25	Credit For Returned Item Not Used	\$146.00	Sales Order 677564000 was paid; however, product was returned. ...
			1443-188-26	Duplicate Payment Same Vendor ID	\$499.58	Sales Order 166719000 was paid twice.. Vendor has confirmed via e...
			1443-188-27	Credit For Returned Item Not Used	\$249.99	Sales Order 226360001 was paid; however, product was returned. ...
			1443-188-28	Credit For Returned Item Not Used	\$258.25	Sales Order 737726003 was paid; however, product was returned. ...
			1443-188-29	Duplicate Payment Same Vendor ID	\$238.29	Sales Order 572664000 was paid twice. Vendor has confirmed via e...
			1443-188-30	Credit For Returned Item Not Used	\$755.40	Sales Order/Invoice W75794000 dated 8/20/10 was paid via check ...
			1443-188-31	Credit For Returned Item Not Used	\$651.08	Sales Order 345810001 was paid; however, product was returned. ...
			1443-188-32	Duplicate Payment Same Vendor ID	\$150.24	Sales Order 877366000 was paid twice. Vendor has confirmed via e...
			1443-188-33	Credit For Returned Item Not Used	\$488.30	Sales Order S005312965 was paid; however, product was returned....
			1443-188-6	Credit For Returned Item Not Used	\$268.65	Sales Order 13530944 was paid; however, product was returned., V...
			1443-188-7	Credit For Returned Item Not Used	\$148.15	Sales Order 791339000 was paid; however, product was returned. ...
			1443-188-8	Duplicate Payment Same Vendor ID	\$240.07	Sales Order SLW449000 was paid twice. Vendor has confirmed via ...
			1443-188-9	Credit For Returned Item Not Used	\$165.40	Sales Order SMM406001 was paid; however, product was returned....
			Total			
Total				\$20,957.55	-	

## Payment Errors

The potential for accounts payable (AP) payment errors is present in any shop, and the consequences are costly. In the worst case, a company loses the money associated with making a duplicate or over-payment, but even if the error is discovered and the payment recovered, the company has lost the interest on that money as well as the time and labor consumed by the recovery process.

### What causes payment errors?

Errors happen in a variety of ways in the payment process. Perhaps AP keys the information incorrectly, or the information on the purchase order (PO) is incorrect or incomplete in the first place, or perhaps the vendor's invoice is in error, but goes undetected. Other reasons for payment errors include but are not limited to: mistakes in the master vendor file, inconsistent or missing invoice number, manual (rush) check requests and making payments from a copy of an invoice or a statement.

### How can AP prevent errors?

Policies and procedures – An important component in prevention of errors and duplicate payments is the creation, documentation and adherence to clear policies and procedures. It can be helpful to condense the most important policies to a one-page guide and post the guide in a prominent location. Periodic checks by the AP manager serve to reinforce and keep staff mindful of policies.

### Technique

Training your employees to use the keyboard only, instead of a combination of the keyboard and mouse, can also help reduce keying errors (as well as improve efficiency).

### Automation

Any use of Electronic Data Interchange (EDI), e-invoicing or imaging will certainly help, since they reduce or eliminate data keying.

### Pay Only From Original Invoices

One good policy is to pay only from an original invoice, not a copy. For those unavoidable exceptions, have strict controls in place, such as high-level approval and careful examination of the file. Likewise, payments should not be made from statements, but follow the same kinds of controls for any payment made from a statement.

### Rush Checks

Rush checks are checks produced outside of the AP department's usual schedule; also called emergency, manual or ASAP checks. It is impossible to avoid them in all situations. Alternatives to cutting a rush check might include p-cards or ACH transactions. Controls should be in place, such as requiring a system search, keeping a log of all rush checks issued, and asking (and documenting) the reason for the rush check. It may prove unnecessary. Proper communication of relevant AP schedules, policies and procedures can also help to prevent rush checks.

### Communication between Departments

Incomplete information on the PO proves the need for good communication between the purchasing department and AP. Start by communicating deadlines and other relevant schedules to all company departments (purchasing is the most crucial) through brief e-mail. Increasing departments' awareness of what goes on in AP fosters a relationship. Be tactful and avoid the blame game. Instead, begin from the position of working together to add value to achieve company objectives. Build consensus around common goals. The stronger the relationship with a department, the more likely that it will cooperate with AP's schedule and requirements.

**Vendor Relations**

The same rules about communication between departments holds true for vendor relations. You may want to send an outline of your policies to all new vendors. For instance, if you have a policy that states: "Once our department has begun accepting electronic or p-card payments from a vendor, we will not accept paper," make sure vendors are aware of it.



## Check Reduction and Handling

The 80/20 rule seems to apply in a host of situations. Twenty percent of the people you know cause 80 percent of your problems. Eighty percent of your time is spent doing 20 percent of your work. You can probably think of more that apply to your experience. So it should come as no surprise that about 80 percent of the invoices that pass through your department comprise about 20 percent of total dollar payments. In other words, your total payment volume is largely made up of small-dollar amounts. Here are some areas that can help reduce the number of checks you write.

### Procurement Card (p-card) Program

Companies not already employing p-cards should consider them, because they can have a serious impact on payables as well as purchasing. Proper use of p-cards erases many small dollar invoices from the cycle, and consequently, many checks. A multitude of small transactions can be converted into one monthly invoice and payment. Determining what constitutes proper use depends on your company.

### ACH

Convert as many vendors as possible to electronic payments via automated clearinghouse (ACH) payment. According to the Federal Reserve, in 2003 for the first time in the United States, the number of electronic payments exceeded the number of payments by check. See your bank about setting up ACH payments, which eliminate paper checks altogether. You send a formatted disbursement file to the bank, which then electronically transfers payments to vendors.

### T&E Checks

There are several ways to go about reducing the number of T&E checks in your department. Moving T&E reimbursement to the payroll system is an ideal solution that would eliminate a substantial amount of work for AP. But barring this shift of responsibility, emulate payroll departments and automate through direct deposit. If neither of those options are possible, mail the checks directly to the employee's homes. This eliminates the office distribution step, and is considered more secure.

Valuable savings can be attributed to handling your checks correctly. Search within your company where you can gain efficiency.

### Filing

When filing backup documentation alphabetically by vendor, it is easy to verify whether an invoice has been paid, assuming of course that each vendor has only one file. However, the time it takes to do this filing is costly.

Imaging is an ideal solution for many, but not all companies. An alternative solution to filing checks by vendor is to use your computer system to index your checks, allowing you to file checks separately by batch, which provides a great time savings over filing by vendor. Within each batch, the checks can be filed by vendor or check number.

### Check Runs

Your optimal check run frequency will be related to your company size. It is important to determine what that frequency should be. While check runs are time-consuming, if they are not frequent enough, the interruption of requests for rush checks will increase.

### Laser Checks

The use of laser checks in AP provides several high-impact benefits. They are more secure than pre-printed checks because there is no bank or company information on the blank check stock. All the check information is generated by the MICR software, which brings two advantages:

- If any information, such as bank name or company address changes, there are no preprinted checks that have to be destroyed.
- Reconciliation becomes more accurate. The check numbers will match those produced by the software.

Using laser checks also reduces cost. Only one kind of check stock is needed, rather than a separate pre-printed stock for each corporate entity, which reduces both the cost of the check form and the labor required to load it.

### **Outsourcing**

Outsourcing the check processing function is a good option for many companies. It can reduce costs, allow your department to focus on other business processes, and streamline your disbursements. If you do outsource, make sure that the vendor you select uses a positive pay service and has a business continuity plan.

### **Managing Your Vendor File**

It's almost impossible to keep track of your vendors, let alone how much business you're doing with them or where they are located. Mergers, acquisitions, divestitures and name changes are happening at increasingly faster rates. The need to manage your vendor file is clear; the benefits and how best to proceed are less obvious. This article addresses the latter — why and how to manage your vendor file.

### **Why You Should Manage Your Vendor File**

Managing a vendor file may seem to be a mundane clerical task, but the implications of not managing may be significant. Four key reasons for paying attention to how your vendor file is managed are:

- Reduction of the potential for fraud
- Reduction of duplicate payments
- Knowing how much money you're spending
- Saving money by purchasing, processing and paying smarter

### **How to Manage Your Vendor File**

A vendor management program should include the following activities:

#### **1. Vendor Verification**

It's often surprising how little a company may know about its vendors. The capabilities and financial stability of a vendor can be critical to its ability to deliver goods or services of appropriate quality within agreed-upon time frames.

Before adding a vendor to your file, check to see if the vendor is legitimate. Check your personnel files to see if the vendor is an employee or related to an employee. See if the phone number, taxpayer ID or address matches that of an employee. Use the Internet or one of several CD-ROM databases to verify the vendor's name, address and telephone number. If you're spending or committing to spend more than a certain amount, use a credit rating service.

Send every vendor a W-9 or a substitute W-9 and make sure that a signed form is returned. You can use a substitute W-9 to collect additional information about the vendor. You may want to request basic information including North American Industry Classification System (NAICS) codes that are replacing standard industry codes, taxpayer identifiers, telephone numbers, type of

organization, types of products or services, how long vendors have been in business, and size. Minority vendor status and women-owned business information are also important. Having a signed W-9 form can help ensure that you file 1099s appropriately, and it reduces the likelihood of B-notices from the IRS.

## **2. Vendor Setup**

There are many ways of specifying a vendor's name and address. A one-page list of rules to use for setting up vendor names will reduce the likelihood of not finding a vendor or adding a vendor that already exists. Addresses should be set up to conform to United States Postal Service (USPS) addressing guidelines. If you already have a vendor file with inconsistent addressing rules, a USPS certified mailing house can review your file to normalize, flag and fix addresses that do not conform.

If you have vendors with foreign addresses, pay careful attention to how you set up their addresses because foreign payments can easily get lost in the mail. Only some mailing houses are equipped to analyze foreign addresses.

Decide what information you want to put into your accounts payable (AP) and purchasing systems and what information you may want in separate databases or in paper files. Low-cost imaging in conjunction with simple databases allows you to access information from W-9s and other forms quickly without a lot of effort. Use the Internet to find and capture additional background information. With some database packages, you can link directly to relevant Web pages.

## **3. Analysis**

A clean vendor file is vital to your process. A clean file should enable you to analyze your data to better identify who you're doing business with and how much business you're doing with individual vendors and groups of vendors.

These analyses should sharpen your focus. Prioritize and categorize so your focus is on the areas with the greatest potential for savings or leverage. One useful way of looking at expenditures is to look at high versus low dollars. Another is high versus low transaction volumes. See if your primary focus should be on reducing the number of vendors, better control of who's buying, getting better pricing, or processing more efficiently.

## **4. Purchase, Process and Pay Smarter**

Once you've completed some analysis you can really reap some dividends. By knowing how and where you're spending, you can quickly identify the magnitude of potential opportunities. With better information about spending, you can negotiate better deals. You'll have better information about where you are or are not buying from, and better ideas as to how much you are or should be spending. Decide whether changes in procurement guidelines are needed. Decide whether to eliminate or consolidate vendors.

Before you cut back on the number of vendors too much, make sure you understand the exposure and risks. Some of your vendors may also be customers or potential customers. Some vendors may be able to meet some of the needs of your company, but not able to meet others in a timely and cost-effective manner. Remember that doing business with local companies helps you by helping the communities in which you're located.

## **5. Enhance Vendor Relationships**

You should be able to make it easier for your vendors to do business with you and for you to get information from and to them. If you make it easier for your vendors to do business with you, their costs will be lower and some portion of those savings can be passed on to you.

Develop guidelines, set standards and establish quality measures to monitor and evaluate vendor performance and your organization's performance. Develop vendor communications programs.

Document your procurement and payment policies and guidelines. A vendor handbook with guidelines and procedures for doing business with your company can eliminate many future problems. If vendors have written guidelines that spell out purchase order requirements, the approval levels and signing authority, you reduce the likelihood of incurring unnecessary expenses. Not only does this enhance vendor relations, it lessens your company's risk of exposure to claims and even fraud.

Where appropriate, use EDI, ERS, procurement cards or the Internet to send and receive electronic inputs. Approve, pay and reconcile electronically. Provide vendors with online access to purchasing and AP information to reduce and eliminate errors and telephone inquiries requiring manual intervention. Consider using touch-tone inquiry/response systems and the Internet. Enhancing the process by which you do business with your vendors can help your bottom line.

#### **How to Get Started**

Managing your vendor file is a team effort. Your team needs knowledge and expertise in your industry and your systems as well as general expertise in purchasing and AP. At a minimum, your AP, Purchasing and information technology organizations should be involved.

Some of the expertise you'll need may require the use of external resources. When you first begin to manage your vendor file, bring in outsiders to augment your internal staff to ensure that the resulting team has the full complement of skills and resources needed to achieve the desired goals.

#### **Make Vendor Management a Process**

In an attempt to speed up the process and reduce costs, many firms cut corners or skip some activities altogether. They are often disappointed with the results. Some lose sight of the goals and benefits. Others may treat the process as a one-shot project.

## Fraud Perpetrators

Occupational fraud and abuse is a widespread problem that affects practically every organization, regardless of size, location or industry. So says the Association of Certified Fraud Examiners' (ACFE) 2006 Report to the Nation on Occupational Fraud and Abuse. The report defines occupational fraud as "the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets."

Given that fraud is so wide spread, all organizations need to be alert to the reality that it can happen to them. Fraudulent disbursements, whether through billing schemes, check fraud, or T&E expense reimbursements, are part of asset misappropriation and the types of fraud that most concern accounts payable, though a prudent AP manager will also be alert to fraudulent statements (falsification of financial statements, including the accounts payable balance).

But for what, or rather for whom should you look? Statistically, are there common characteristics among fraud perpetrators? The ACFE report took a look at that and the answer is instructive. The one common characteristic is, apparently, humanness. There are correlations between age, education, position or gender and the amount of loss involved, but as far as commission of fraud, as Bing Crosby once said, there's a little larceny in everybody. Fraud criminals vary educationally, socially, geographically, and financially.

Apparently all that is required, according to Bonita Peterson and Paul Zikmund writing in Strategic Finance, are a motive, a perceived opportunity, and a rationalization, or as the AICPA calls it, pressure, opportunity and attitude.

### Successful Perpetrators are Trusted

In addition to "humanness," there is another common characteristic of fraud perpetrators: they are trusted. Security Consultant Frank Abignale says in his experience, the person stealing from you often has been with the company for several years and is trusted completely. "That's why so many frauds go on for years without being detected," he observes. "The embezzler is never suspected of any wrongdoing."

Thus companies are on the horns of a dilemma: business success and business fraud both depend on trust.

The ACFE study also shows that most fraud perpetrators are first-time offenders. Only 8 percent of frauds in this study were committed by someone with a prior fraud conviction. So while you should continue to do background checks before hiring, don't think that a clean bill of health in that respect means no future worries.

### Perpetrator Position

The position of the perpetrator has the most significant effect on the size of the losses. Looking at employees, managers and executives and owners, employees were responsible for 40 percent of the fraud perpetrated, while managers accounted for 41 percent and executives for 19. But as the headlines of the past several years have shown, the losses involved in executive-level fraud dwarf the losses caused by employee-level fraud. The median loss in employee fraud was \$78,000; for managers, \$218,000; but for executives or owners, the median loss was \$1,000,000. It stands to reason that the higher up an individual is, the more authority, knowledge, control, and trust he or she commands, which makes the greater schemes possible. Also, despite corporate accounting practices facing increased scrutiny in the wake of Sarbanes-Oxley, executive/owner-level fraud increased 7 percent since the 2004 report.

With statistics like these, many workers find themselves tempted toward one of the prerequisites for fraud: rationalization, i.e. thinking "Compared to others, I'm not bad ... I deserved this after how the company has treated me ... I'll pay it back ... they'll never miss it ..."

The study results are similar when the data is sliced by income, as individuals with higher income are responsible for the most fraud losses. The pattern is repeated again with tenure, as Abignale has pointed out. The ACFE found a direct correlation between the length of time a perpetrator had been employed with the defrauded organization and the size of the loss in the scheme.

Not that a decade or more of service is required, but relatively few workers perpetrate a fraud in their first year with a company, just over 10 percent in the study. However, 26 percent of fraud was perpetrated by those with only one to five years of tenure, 26 percent by those with five to ten years, and 38 percent by those with more than ten years. The difference, again, is in the losses sustained. The longer the tenure, the greater the losses; median loss from fraud perpetrated by employees with greater than 10 years' tenure was \$263,000, whereas for those with one to five years tenure, the median loss was \$100,000.

When it comes to men and women, after narrowing for many years, there appears to be a widening gender gap. The report states that 61 percent of fraud is committed by men while 39 percent is committed by women. In 2004, the gap seemed to be closing, with women committing 47 percent of the cases to the men's 53 percent. Men are also still considerably ahead of women in terms of dollars involved, with a median loss of \$160,000 per fraud incident versus \$60,000 for women. The 2006 report shows that men are still more likely than women to commit occupational fraud.

#### **Age and Education**

Two other factors bear looking at - age and education. Once again, as far as size of loss goes, there is a direct correlation between age and amount lost-the older the perpetrator, the greater the loss-with the median loss for perpetrators over 60 years-old at more than \$700,000. That compares to a median loss of \$50,000 for perpetrators in the 26 to 30 age group, \$134,000 - \$135,000 for the 31 to 40 age group, \$250,000 for the 41 to 50 age group, and \$350,000 for the 51 to 60 age group. The good news for companies is that only 3 percent of fraud was committed by the over-60 group.

Half the perpetrators were over 40 and half under. The age group of 41 to 50 years was responsible for 35 percent of the reported fraud, compared to 32 percent for 31 - 40 (the 31 - 35's account for 16 percent, 36 - 40, 16 percent). The 30-and-under crowd rang up almost 15 percent of the fraud schemes.

Looking at education, it will be no surprise that the greater the education level of the perpetrator, the greater the losses of the fraud. What may be surprising is that only 12 percent of perpetrators had a post-graduate degree, while 33.5 percent had a Bachelor's degree. Nearly 22 percent of perpetrators have some college while 33 percent are only high school graduates.

So as noted above, fraud perpetrators come in all ages, ranks, and levels of education. But the more advanced a perpetrator is, the more costly the fraud.