

Fraud Detection and Elimination Using VelociTRACKER™

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Computer Resource Center, LLC

The Typical VelociTRACKER™ Client

Many of CRC's clients have a large number of merchandisers who visit retail locations that can be a few miles away – or thousands of miles away. Having employees so far out of the watchful eye of their employer presents special challenges due to the potential for employees to commit fraud – by asking to be paid for work they never did.

CRC believes that in the field-based-merchandiser industry that ten to twenty percent of merchandisers fraudulently report time, and this fact is shown again and again when the 'before' and 'after' picture is examined: that is, 'before' VelociTRACKER™ and 'after' VelociTRACKER™.

VelociTRACKER™ prevents fraud in three ways:

- 1 PhoneTRACKER™ prevents fraud by capturing the caller- id information from each location reported, and comparing that number to a list of numbers in the VelociTRACKER™ database. Calls from home and calls from the store are easily identified. Unknown numbers are quickly spotted and can be verified by calling the number.
- 2 WebTRACKER™ works by the 'visit witness' principal. When a merchandiser enters the details of a visit over the web, one of the things the merchandiser is required to enter is the name of the store manager who approved the work. This information is then used by the merchandising manager to 'spot check' by calling the store manager and asking about his or her satisfaction with the work.
- 3 PocketTRACKER™ prevents fraud by requiring a store manager signature, as well as time-stamping every picture, and every survey entry. The PocketTRACKER™ clock is reset on every synchronization, and PocketTRACKER™ knows if the clock is changed at any other time.

The version of PocketTRACKER™ that has the integrated Nexian Camera (which can be seen in our literature) also prevents fraud by making the picture and the computer be in the store at the same time. Since the camera is integrated with the computer, and since the time of the visit (verified with a manager's signature) is shown with the picture, it is almost impossible to take the same picture of a set three times, and apply it to three stores.

Maximize Profits By Reducing Fraud

CRC's clients tell us that they save an average of 5% to 10% of their annual payroll by terminating employees who don't want to work, and replacing them with employees who do.

You might notice that in the beginning of this scenario, we mentioned that 10% to 20% of merchandisers commit fraud on average, but VelociTRACKER™ only catches 5% to 10% of them. This is true, and not a typo. While VelociTRACKER™ provides the ability to save more money in payroll costs than what most people pay for the service, it is not a silver bullet – mostly due to the high rate of turnover in the industry in general. However, in the long run, almost all who consistently defraud payroll systems are eventually caught, and over time many clients are able to achieve close to 20% savings.