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WHO IS HR ONE CONSULTING?

- An upstate NY family-run business.
- Founded in 1986, HR One has become the premier human resource consulting firm in upstate New York.
- Simply stated...
We serve as a part-time HR department for over 400 small to midsize employers and supplement existing HR departments through projects.

WHO IS HR ONE?

HR One Consulting, Inc.

HR One, Inc. (Payroll)

**“Behind every paycheck is an employee,
managing your employees just got easier.”**

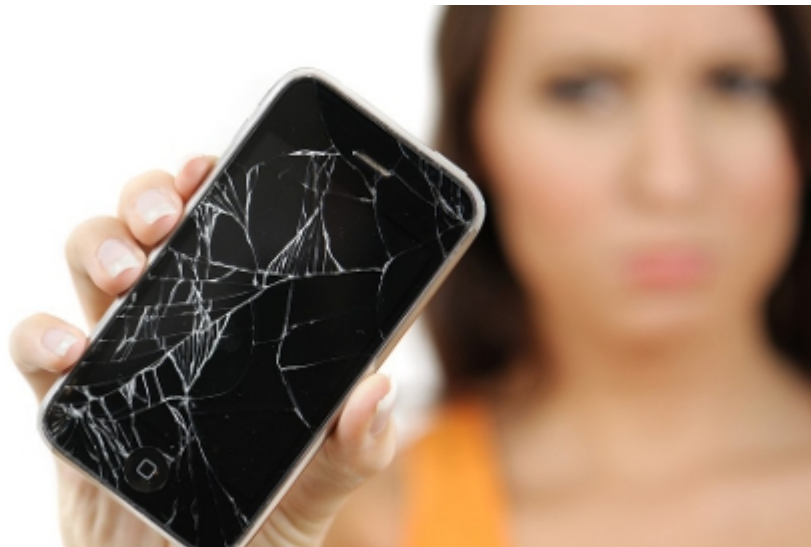
The First Line of Defense:

HR's Role in Preventing and Detecting Fraud in the Workplace



Today's Agenda

Presentation
Q&A



Fraud Defined

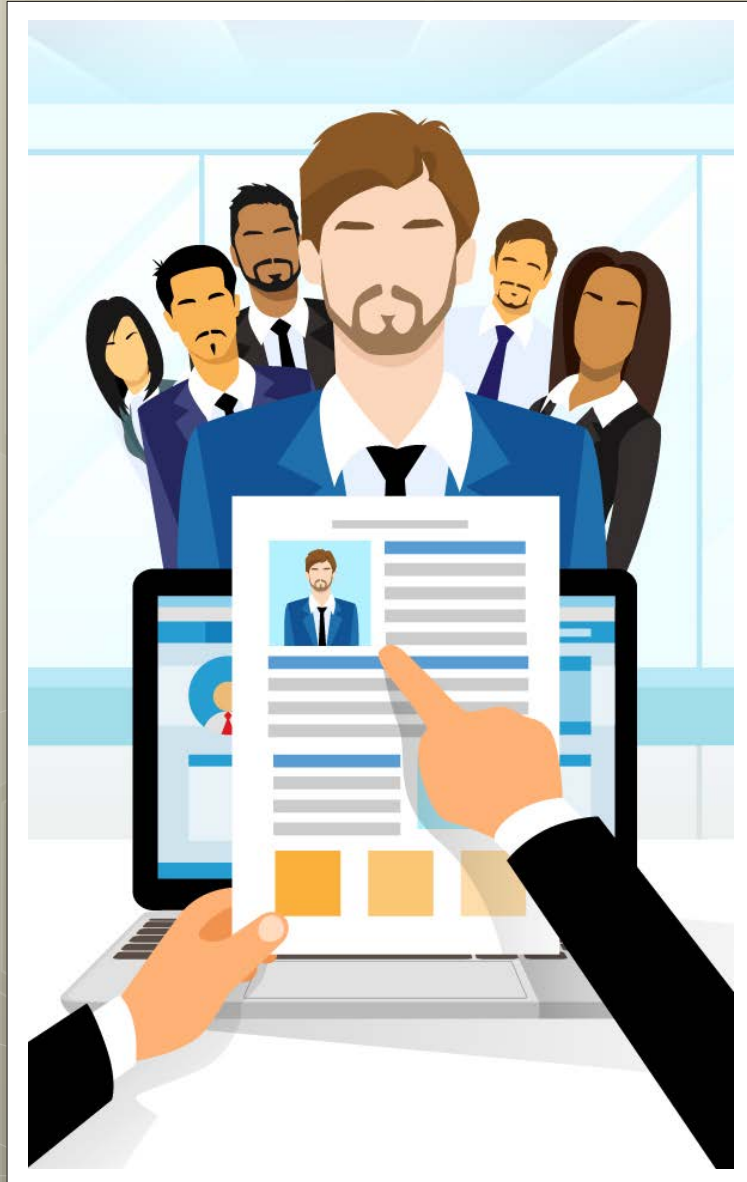
- ◉ wrongful or criminal **deception** intended to result in financial or personal gain;
- ◉ a **person** or concept intended to **deceive others**, typically by unjustifiably claiming or being credited with accomplishments or qualities.



Fraud Requires a Person or People

Who within your workplace has the potential to commit fraud?





Step 1 of Fraud Prevention: **The Hiring Process**

Resume Falsification Statistics

<http://www.statisticbrain.com/resume-falsification-statistics/>

- Percent of job applications that contain false information 53%
- Percent of resumes that are misleading 78%
- Resumes that state fraudulent degrees 21%
- Show altered employment dates 29%
- Have inflated salary claims 40%
- List inaccurate job summaries 33%
- Give falsified references 27%
- Percent of college students that would lie on a resume to get a job they want 70%

Why do People Lie on a Resume or Application?



Common Hiring Mistakes

- Inconsistent hiring practices
- Lack of background check
- Untrained interviewers
- Rushing through the process



Checking References



Why don't
employers
validate
references
these days?



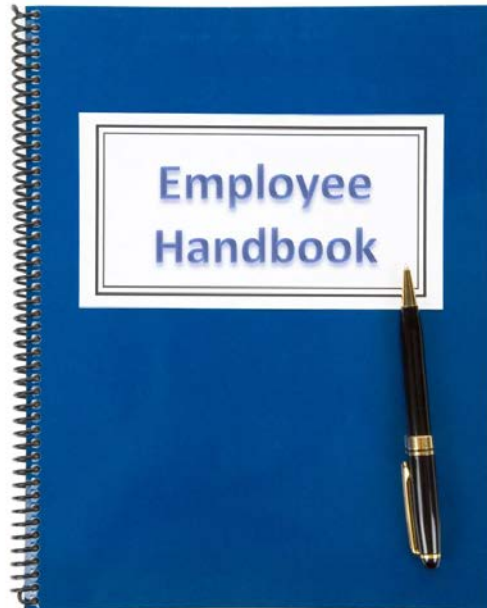
Step 2 of Fraud Prevention: Employee Supervision

Proper Time Management

- Employees falsifying time records
- Buddy punches
- Punch in/out outside of true working time
- Extended lunch or other breaks
- Workplace socializing



Not Clearly Communicating Policies or Procedures



Do your employees know what is acceptable and unacceptable behavior?

Employees Taking Shortcuts



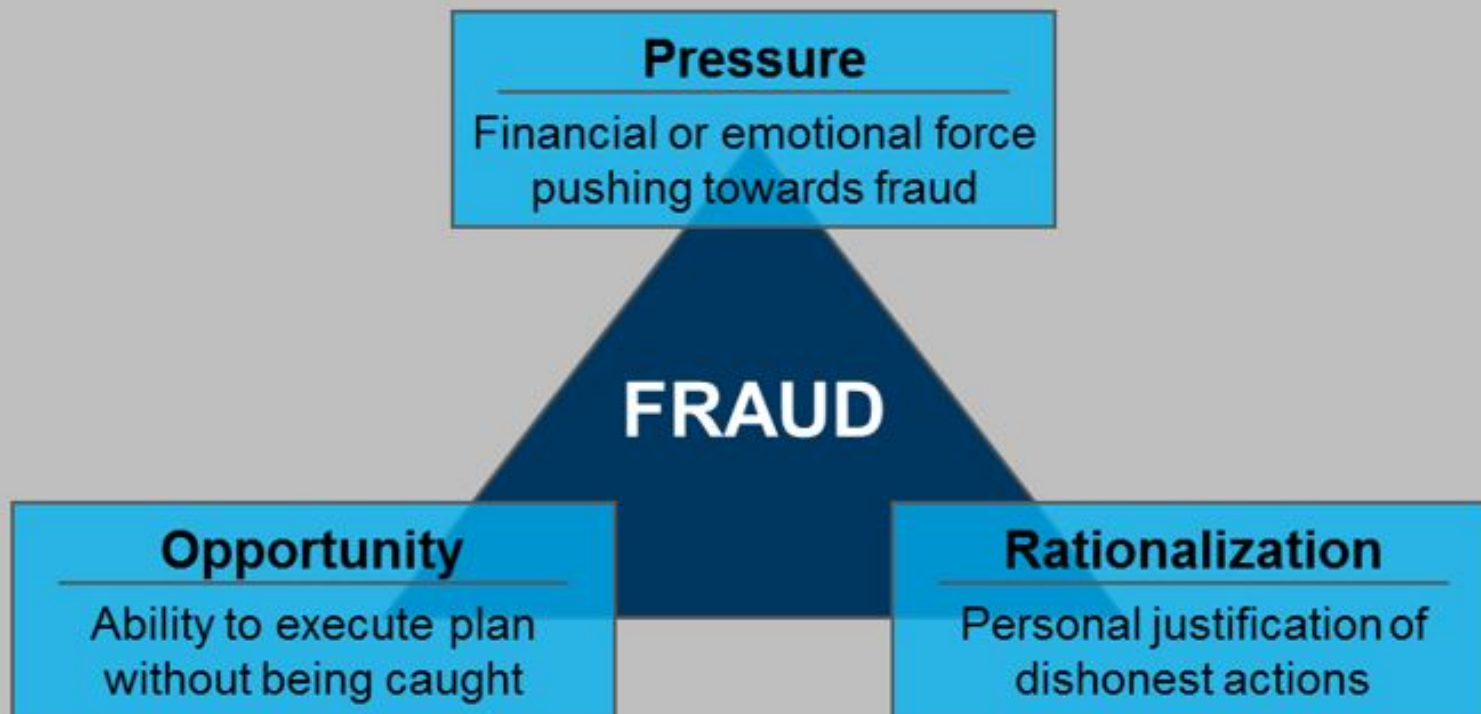
YOU HAD ONE JOB

Using Company Resources for Personal Use Examples

- Expenses on a company expense report
- Company gas card
- Office supplies for home use
- Personal use of company-owned equipment, including computers and cell phones
- Using company computer network resources for personal internet use

The Fraud Triangle:

A framework for spotting high-risk fraud situations





Step 3
of Fraud
Prevention:
Falsifying
Claims

Falsification of Harassment / Discrimination Claims



Falsification of Department of Labor Claims



NEW YORK STATE REGULATIONS

- **Overtime compensation, including exempt and non exempt status**
- **Call-in pay**
- **Meal periods**
- **Final paycheck**
- **Separation notice**
- **Employment of minors**



FEDERAL REGULATIONS

- ▶ **Age Discrimination in Employment Act (ADEA)**
- ▶ **Consolidated Omnibus Budget Reconciliation Act (COBRA)**
- ▶ **Older Workers Benefits Protection Act (OWBPA)**
- ▶ **Uniformed Services Employment and Reemployment Rights Act**
- ▶ **Americans with Disabilities Act (ADA)**
- ▶ **Employment Retirement Income Security Act (ERISA)**
- ▶ **Rehabilitation Act of 1973**
- ▶ **Occupational Safety and Health Act (OSHA)**

FEDERAL REGULATIONS

- ▶ **Civil Rights Act Title VII; Civil Rights Act of 1991**
- ▶ **Equal Pay Act**
- ▶ **Fair Labor Standards Act (FLSA)**
- ▶ **Immigration Reform and Control Act (IRCA)**
- ▶ **Family and Medical Leave Act (FMLA)**
- ▶ **National Labor Relations Act (NLRA)**
- ▶ **Pregnancy Discrimination Act**



Organizational Protection Requirement

What is the **documentable
business-related reason**
for the action you are
taking with the
employee?



Step 4 of Fraud Prevention: Employee Engagement

We hire employees
for the use of their **hands**



We hope that employees
use their **head**



CUSTOMER
FEEDBACK
SUPPORT
INNOVATIVE
QUALITY
EXCELLENT
FRIENDLY



If we are successful we
manage to engage their **heart**



Questions?

