

## What Can Go Wrong in Payroll

1.	A salesman receives two commissions for a \$6 million sale, resulting in an overpayment of \$300,000. The salesman fails to report the overpayment.
2.	An illegal alien uses a false social security number when completing their human resources documents.
3.	A payroll manager leaves terminated employees in the payroll system and re-directs the payments to their own bank account.
4.	A manager creates a fictitious employee file with his wife's personal and bank account information, and he treats this 'employee' as a new-hire. Payroll sets up the information in the system and unknowingly places the manager's wife on the payroll.
5.	A benefactor donated \$1 million to the institution, and in exchange, the institution put the benefactor on the payroll with a \$100,000 salary.
6.	When a pensioner died, the benefits administrator would not remove them from the system, but rather would re-direct their pension payments to a PO Box where the administrator could collect them, falsify the endorsement, and cash them. The amount collected was \$2.1 million.
7.	An administrative assistant who input time cards into the payroll system agreed to falsify time worked in exchange for a cut of the overtime.
8.	A group of contractors billed an average of 50 hours per week, including over the Thanksgiving and Christmas holidays, despite working less than 40 on average. In six months, the over-billing totaled \$240,000.
9.	A payroll employee inputs a paycheck with 100 percent withheld for Federal Taxes. Because the item nets to \$0, the system does not queue a check to be cut. The withheld taxes are submitted to the IRS. At year-end, the employee shows a large amount of taxes withheld from their pay during the year, and therefore they receive a large refund from the IRS when they complete their tax return.
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