



Fraud or Error Incident Catalog

SAM 2080 Reporting Tool

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**Fraud or Errors Incident Catalog
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Fraud or Error Incident Catalog

Introduction

This document is a tool to provide state entities with standardized language for use during the fraud/error reporting process. The user of this document will find the Fraud or Error Categories Overview with reporting categories and definitions on page 3. The user will also find an overview of the Fraud or Error Reporting Structure on page 4. The standardized reporting language is grouped into two levels. Level 1 allows the reporting entity to identify the incident by major category. Level 2 allows the reporting entity to identify a more specific incident factor. Both Level 1 and Level 2 are defined in the following pages. Additionally, this document includes examples of incidents. The examples provided are not intended to be all inclusive but rather to aid the reporter in understanding the definitions.

Several sources were consulted during the development of the standardized language. Sources consulted include: *A Framework for Managing Fraud Risks in Federal Programs* issued by the U.S. Government Accountability Office, Government Code, Penal Code, the State Administrative Manual (SAM), prior SAM 20080 reports, the internet, and a variety of other sources. We appreciate the assistance and cooperation of the California Department of General Services, California State Auditor, and California Department of Finance, Fiscal Systems & Consulting Unit.

For additional assistance and information, contact the California Department of Finance, Office of State Audits and Evaluations (OSAE) at SLAAhotline@dof.ca.gov or visit our website at www.dof.ca.gov/Programs/OSAE.

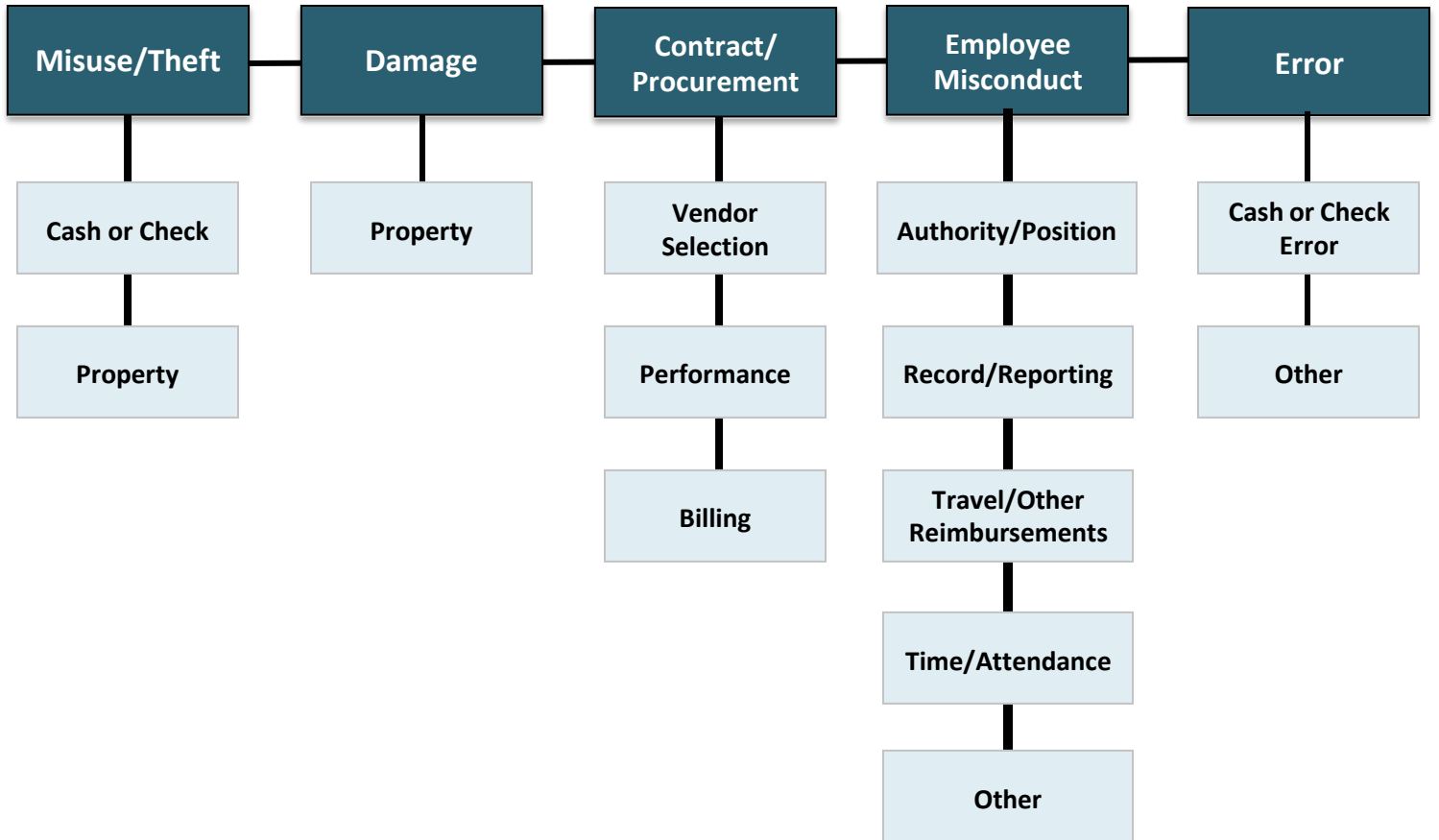
SAM 20080 reporting form (DOF 20080) can be located at www.dof.ca.gov/Programs/OSAE/SLAA. SAM 20080 can be located at <http://sam.dgs.ca.gov/>.

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Fraud or Error Categories Overview

| Level 1: Incident | Level 2: Incident Factors |
|--------------------------|------------------------------|
| Misuse/Theft | 1 Cash or Check |
| | 2 Property |
| Damage | 1 Property |
| Contract/ Procurement | 1 Vendor Selection |
| | 2 Performance |
| | 3 Billing |
| Employee Misconduct | 1 Authority/Position |
| | 2 Record/Reporting |
| | 3 Travel/Other Reimbursement |
| | 4 Time/Attendance |
| | 5 Other |
| Error | 1 Cash or Check Error |
| | 2 Other |

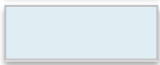
Fraud or Error Reporting Structure



Legend:



Level 1



Level 2

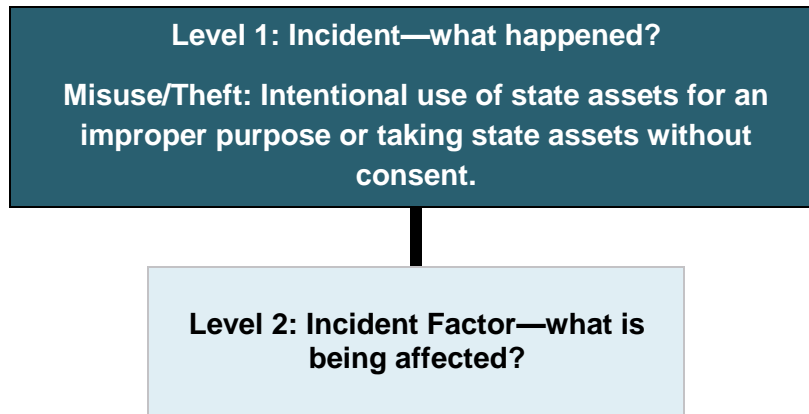
Fraud and Error Level 1 Definitions

Level 1: Incident

What happened?

| | |
|-----------------------------|---|
| Misuse/Theft | Intentional use of state assets for an improper purpose or taking state assets without consent. |
| Damage | Intentional acts impairing the value, usefulness, or function of state assets. |
| Contract/Procurement | Inappropriate activities involving: <ol style="list-style-type: none">1. Purchase of or contracting for goods and services2. Grant activity3. Subvention program activity |
| Employee Misconduct | Willful, improper employee behavior affecting state interests. |
| Error | Unusual event causing impairment or inaccuracy. |

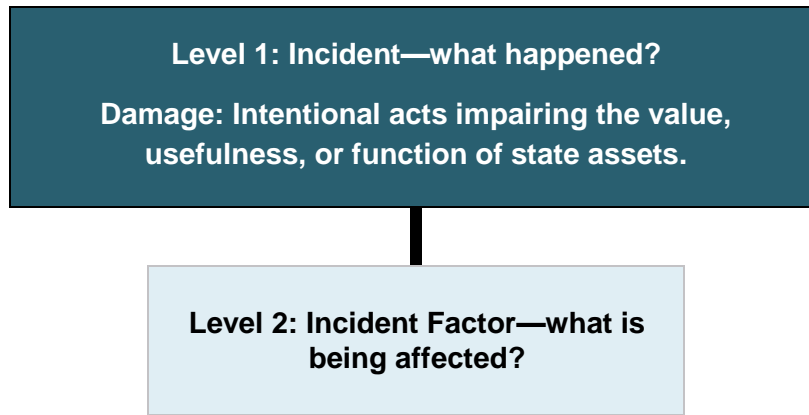
Misuse/Theft



Incident Factors

| | |
|-------------------------|---|
| 1. Cash or Check | Inappropriately using or taking state funds without consent. Examples: <ul style="list-style-type: none">• Using state card for personal purpose• Altering checks• Stealing cash |
| 2. Property | Inappropriately using or taking state property without consent. Examples: <ul style="list-style-type: none">• Using state vehicle for personal purpose• Committing acts of vandalism and taking state property• Stealing state property such as a laptop, cell phone, weapon, state-issued identification card, uniform, etc.• Using email or intranet for personal purpose |

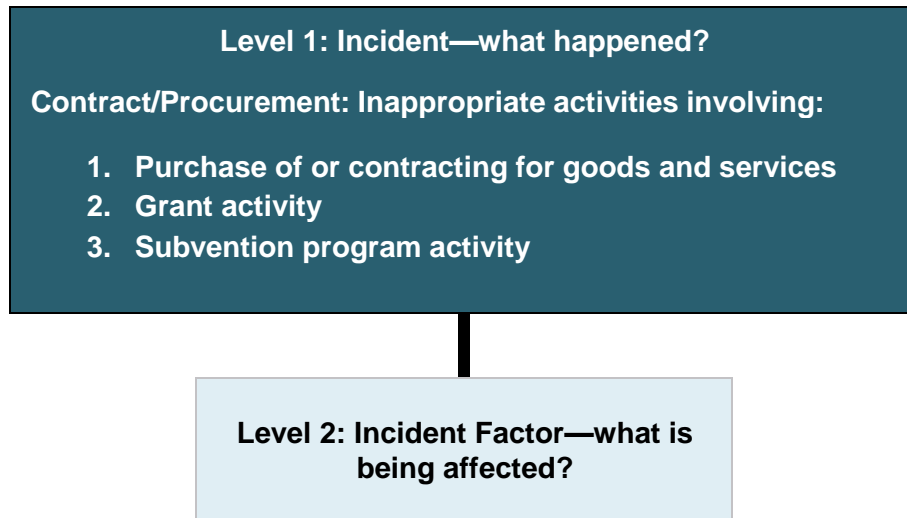
Damage



Incident Factor

| | |
|--------------------|---|
| 1. Property | Causing harm to state assets. Examples: <ul style="list-style-type: none">• Vandalizing state property without theft• Defacing state property with graffiti• Hitting state property with a vehicle and running |
|--------------------|---|

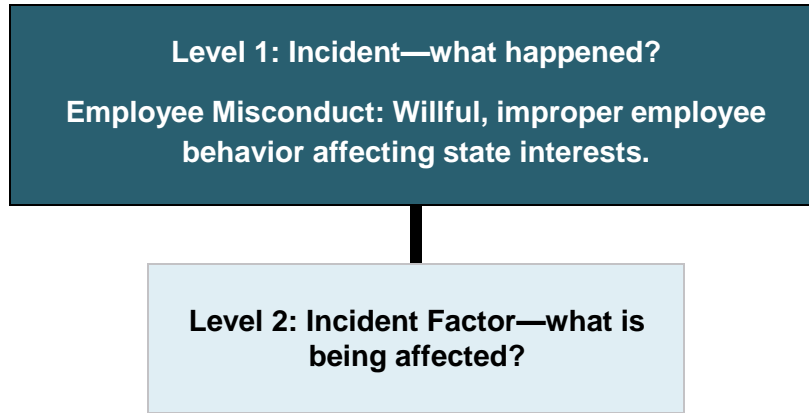
Contract/Procurement



Incident Factors

| | |
|----------------------------|---|
| 1. Vendor Selection | <p>Inappropriate activities involving the solicitation, selection, or awarding of the purchase agreements or contracts for goods and services.</p> <p>Examples:</p> <ul style="list-style-type: none">• Signing a purchase document without having proper authority• Splitting of contracts to avoid monetary limitation• Kickbacks |
| 2. Performance | <p>Not performing according to the terms and conditions of a contract or providing nonconforming goods/services.</p> <p>Example:</p> <ul style="list-style-type: none">• Goods delivered to buyer do not meet quality standards and are not cured by seller• Service provided does not meet contract specifications |
| 3. Billing | <p>Inappropriately invoicing for services not rendered, unauthorized, or unnecessary.</p> <p>Example:</p> <ul style="list-style-type: none">• Vendor billing for unperformed services |

Employee Misconduct



Incident Factors

| | |
|--------------------------------------|--|
| 1. Authority/Position | Individual(s) using the prestige or influence of the state or their position for personal advantage or gain. Examples: <ul style="list-style-type: none">• Employee using their position to make unauthorized purchases• Employee using their position to make inappropriate personnel decisions |
| 2. Record/Reporting | Destroying, defacing, altering or falsifying official records or documents. Examples: <ul style="list-style-type: none">• Deliberately destroying documents that are subject to the Public Records Act• Falsifying financial information• Intentionally misreporting program results |
| 3. Travel/Other Reimbursement | Inappropriately using the expense reimbursement processes to obtain overstated, fictitious, or mischaracterized reimbursements. Examples: <ul style="list-style-type: none">• Overstating expenses• Falsifying expenses• Duplicating reimbursements |
| 4. Time/Attendance | Intentionally misrepresenting the number of hours worked or leave time used. Examples: <ul style="list-style-type: none">• Overstating time worked• Not reporting absences |

Employee Misconduct

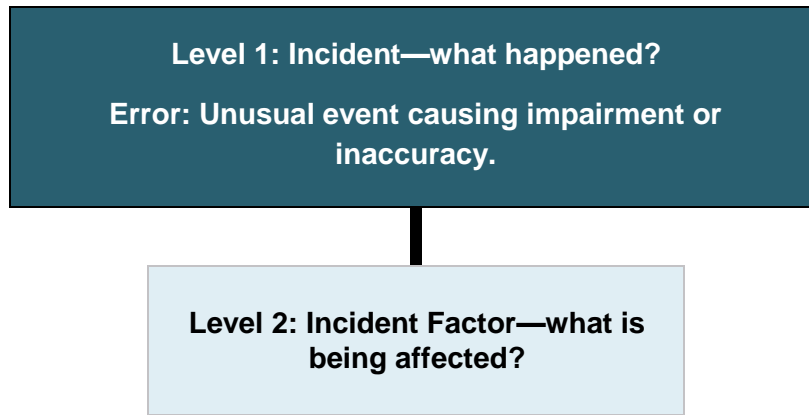
5. Other

A loss or irregularity caused by employee misconduct that cannot be defined in another category.

Example:

- Other incidents of employee misconduct including but not limited to bribery, conflict of interest, or wastefulness

Error



Incident Factors

| | |
|-------------------------------|--|
| 1. Cash or Check Error | Discrepancy/mistakes resulting from cash handling activities that are not intentional. Example: <ul style="list-style-type: none">• Cash shortage due to miscalculation |
| 2. Other | Errors that cannot be defined in another category. Example: <ul style="list-style-type: none">• Other incidents of irregularities, or loss which are not intentional |

