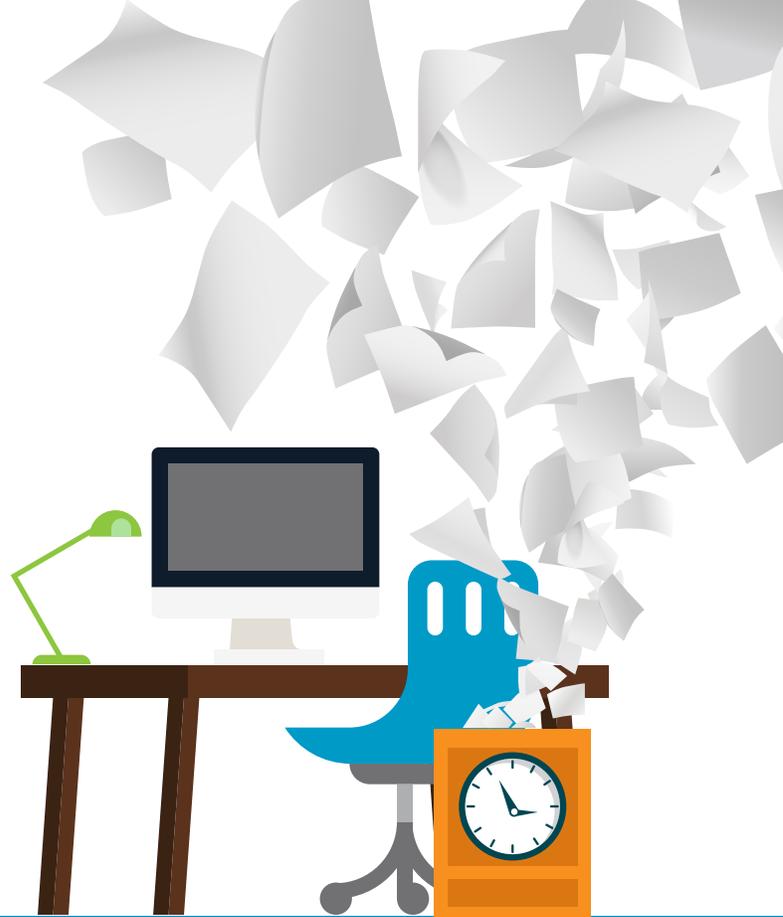




Time Fraud: Working Around the Clock

Time fraud in its many forms is a way employees and supervisors cheat a time tracking system to garner more wages. Often, maybe in most cases, supervisors are involved in the fraud because they have more system access and are in a position of trust. These situations often occur in low trust environments. So why is it important? What is the impact to organizations in dollars and in productivity? Who is committing the fraud? What are ways to prevent it and how is fraud discovered?



Time Fraud Is Costing You

In an average company,

19% of the workforce participates in buddy punching

resulting in losses of 1.5% to 3% of gross payroll.

(Nucleus Research)

Time fraud comes in many forms and can be tough to detect. It is often committed by supervisors because of the position of trust they hold in the company and the access they have, but it doesn't end there. Employees at all levels can commit time fraud.

What are the forms of time fraud?

- **Buddy punching**
A co-worker clocking in for another who isn't present.

- **Ghost punching**
Clocking in without actually performing the work.
- **Overextended breaks**
Taking longer breaks than allowed and getting paid for it.
- **Internet time theft**
Spending time on non-work related websites on company time.
- **Personal time theft**
Dealing with personal matters on company time.
- **Time wasters**
Wasting company time being unproductive i.e. talking with coworkers.
- **Time rounding**
Rounding up to the minute or hour causing the company to pay for unworked time.



Employees may take a longer paid break than originally allotted, spend more time at lunch than they should, do personal things like make phone calls, shop, or surf the web, while on company time, clock in remotely even though they aren't working or having a friend or supervisor clock in for them. While some of these seem innocent enough, when compiled and multiplied against your employee population, the hard costs really add up.



64% of employed people say they visit non-work related websites every day during work hours.

-Salary.com

Time fraud is a productivity loss and it results in thousands of dollars in losses for organizations annually. Further, discovering and investigating time fraud removes key individuals from their primary role, resulting in further productivity losses.

While time fraud can be a problem in any industry, certain industries are more susceptible and fall victim to greater losses than others. The top five industries with the most annual loss in fraud are:

- Mining
- Real Estate
- Construction
- Oil and gas
- Banking

Other susceptible industries include temp staffing, janitorial, and home health care.



43% of hourly workers surveyed admit to exaggerating the amount of time they work during their shifts.

Employees are becoming more and more mobile with people working remotely, traveling, or going out into the field. Not every job has daily office hours or a single location to report to. For work forces that are mobile like technicians and other service providers, it has become imperative to use technology to track locations and ensure employees are doing the work they're scheduled to do.

Mobile workforces provide ample opportunities for employees to commit time fraud. Using technology equipped for time tracking puts less pressure on supervisors who can't constantly monitor their mobile employees. Technology bridges the gap by allowing supervisors to monitor time clocks and their employees in a more effective and efficient manner from their location.



3 of 5 workers don't need to be in the office anymore to be productive.

Did you know that Americans spend an average of 158 minutes on smartphones and tablets each day? - Flurry

Simple solutions for complex problems

There are several ways to prevent time fraud:

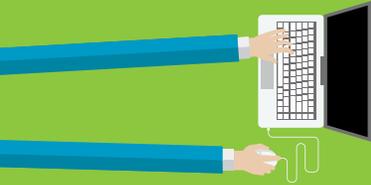
- Create a clear and concise policy on time fraud that is easily viewed by employees in the office.
- Offer the option for employee's to approve their time card online.
- Train supervisors and managers on time fraud, wage and hour laws in your state.
- Train supervisors and managers to catch inaccuracies and notice inconsistencies.
- Regularly check-in and ask questions about time cards to show employees that you care and that time cards are being checked and reviewed carefully.
- Require supervisors and managers to simply approve time cards each pay period confirming time cards they oversee are accurate including meal and break times.
- **Implement facial recognition time clocks to prevent buddy punching and eliminate time fraud.**
- Contact legal counsel immediately upon finding problems with time fraud to be directed in the best way.



While checking on your employees and reviewing time sheets can save you from time fraud expenses, remember that your employees need to feel valued and trusted. When there is little trust, productivity, responsibility, and initiative decrease and turnover rates increase. Finding an alternative to individual monitoring may be the best option.

Easy to use products that save you money

Biometric facial recognition software helps eliminate time fraud. When paired with a mobile time clock, supervisors know where their employees are when they clock in. This helps them trust that hours punched are accurate for work accomplished onsite without having to be there themselves. When coupled with tablet time clocks positioned near work sites or where work is being done time tracking is more efficient by eliminating the time between clocking in at the time clock and arriving at a workstation, preventing time rounding.



In 2016, as office rents continue to increase, and commute times and gridlock worsen, employers and employees alike will prefer telecommuting, for at least part of the week.

How does biometric facial recognition software work?

Biometric facial recognition software is able to pinpoint characteristics on a human face and take measurements of the distance between the eyes, length of the nose, face and mouth, etc. and, using pre-programmed algorithms, use this information to match to photos in a database.

When employees are required to take a photo in order to clock in and out for the day, facial recognition will track the images and flag any that don't match the original.

We're committed to you

We are committed to increasing productivity and reducing loss from time fraud. We understand the importance of creating easy-to-use, innovative solutions that save money and time for other important and necessary tasks.

Biometric facial recognition technology is one direction a business can take to prevent time fraud and easily detect inconsistencies. It promotes more honest practices in the workplace and gives employers peace of mind.

To find out more about facial recognition technologies like GeoPunch™ mobile time tracking and AirClock™ tablet time clocks to reduce time fraud in your organization, connect with us today.

Call 888-323-8835 or visit us at asuresoftware.com